

ARTICLE VIII

REGULATORY

Sec. 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated regulatory agencies.

BOARD OF PUBLIC ACCOUNTANCY\*

	For the Years Ending	
	August 31,	August 31,
	2002	2003
<b>A. Goal: PUBLIC STANDARDS</b>		
To establish standards in education, examination, and experience for Texas CPAs in the private and public sectors which will protect the public and meet the requirements for certification, licensing, and practice throughout domestic and international jurisdictions, but not necessarily restrict entry to the profession.		
<b>Outcome (Results/Impact):</b>		
Percentage of Accounting Firms Receiving Favorable Review	97%	97%
<b>A.1.1. Strategy: LICENSING</b>	\$ 740,507	\$ 749,733
Manage a comprehensive licensing and examination program.		
<b>Output (Volume):</b>		
Number of Individuals Examined	5,100	5,100
<b>Efficiencies:</b>		
Average Licensing Cost Per Individual License Issued	4.72	4.66
Average Licensing Cost Per Facility License	3.19	3.13
<b>Explanatory:</b>		
Total Number of Individuals Licensed	61,411	63,254
Total Number of Business Facilities Licensed	10,800	11,016
<b>A.1.2. Strategy: EXAMINATION</b>	\$ 540,000	\$ 785,000
Purchase the Uniform CPA Examination from the American Institute of Certified Public Accountants (AICPA) to promote uniformity and reciprocity with other licensing jurisdictions and utilize AICPA grading services to ensure that all papers written by candidates are graded consistently (estimated and nontransferable).		
<b>A.2.1. Strategy: QUALITY REVIEW</b>	\$ 74,078	\$ 77,569
Develop and implement a comprehensive quality review program for all accounting firms utilizing industry standards as the measure of competence and oversight through a Quality Review Oversight Board.		
<b>Output (Volume):</b>		
Number of Quality Reviews Conducted	1,895	1,933
<b>Total, Goal A: PUBLIC STANDARDS</b>	\$ 1,354,585	\$ 1,612,302

**B. Goal: PROTECT PUBLIC/ENFORCEMENT**  
To aggressively enforce state regulations relating to the accounting profession; ensure swift, fair, and effective disciplinary action for violators of these standards; and require the re-education and rehabilitation of those violating these laws.  
To aggressively develop and implement high standards for the accounting profession in emerging issues as they relate to the welfare of the general public.

\*This appropriation is voided by Article IX, Section 10.42, page IX-94. Senate Bill 736 appropriates \$1,514,698 for 2002–03 to the Board of Public Accountancy.

**BOARD OF PUBLIC ACCOUNTANCY**  
(Continued)

<b>Outcome (Results/Impact):</b>			
Percentage of Complaints Resolved Resulting in Disciplinary Action			
		32%	32%
<b>B.1.1. Strategy:</b> ENFORCEMENT	\$	571,403	\$ 595,453
Operate a system of enforcement which includes investigating and resolving complaints and promulgating rules.			
<b>Output (Volume):</b>			
Total Number of Major Cases Investigated		15	15
<b>Efficiencies:</b>			
Average Time for Complaint Resolution		242	242
<b>C. Goal:</b> PUBLIC EDUCATION			
To inform the public concerning board functions and the procedures by which complaints are filed, processed, and resolved so that citizens of Texas may better utilize CPA services and be protected from exploitation.			
<b>C.1.1. Strategy:</b> PUBLIC INFORMATION	\$	246,907	\$ 255,804
Develop and operate a coordinated system of public information to provide all interested parties information concerning statutes governing the accounting profession, as well as board rules and procedures pertaining to qualification, examination, licensing, enforcement, and quality review.			
<b>Output (Volume):</b>			
Number of Written Responses to Other Licensing Authorities and the Public		2,955	3,103
<b>D. Goal:</b> INDIRECT ADMINISTRATION			
<b>D.1.1. Strategy:</b> INDIRECT ADMINISTRATION	\$	799,839	\$ 832,895
<b>Grand Total, BOARD OF PUBLIC ACCOUNTANCY</b>			
	<u>\$</u>	<u>2,972,734</u>	<u>\$ 3,296,454</u>
<b>Method of Financing:</b>			
General Revenue Fund	\$	2,917,734	\$ 3,241,454
Appropriated Receipts		<u>55,000</u>	<u>55,000</u>
<b>Total, Method of Financing</b>			
	<u>\$</u>	<u>2,972,734</u>	<u>\$ 3,296,454</u>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>			
	\$	705,493	\$ 738,349
<b>Number of Full-Time-Equivalent Positions (FTE):</b>			
		43.0	43.0
<b>Schedule of Exempt Positions:</b>			
Executive Director, Group 2		\$70,000	\$70,000
Per Diem of Board Members		16,000	16,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for “Lease Payments to the Master Equipment Purchase Program” or for items with an “(MLPP)” notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under “Acquisition of Information Resource Technologies” may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

BOARD OF PUBLIC ACCOUNTANCY  
(Continued)

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Upgrade LAN	\$ 74,710	\$ 98,720
Total, Capital Budget	<u>\$ 74,710</u>	<u>\$ 98,720</u>
2. <b>Appropriation for Major Cases.</b> Of amounts appropriated in Strategy B.1.1, Enforcement, \$200,000 is available each year of the biennium to be used only for the payment of services rendered by the Texas Attorney General's Office, for legal counsel, for expert witness fees, for other reasonable and necessary expenditures, and for expenditures of the Texas State Board of Public Accountancy, incurred in connection with the prosecution of "major cases" now pending before the Board or anticipated in the future. "Major cases" involve public accounting firms implicated in the audits of savings and loan organizations, financial institutions, insurance companies, and other cases of a major nature.		
3. <b>Purchase of Examinations.</b> The amount appropriated above in Strategy A.1.2, Examination, shall be expended solely for the purpose of purchasing and grading of the Uniform CPA Examination from the American Institute of Certified Public Accountants.		
4. <b>Reimbursement of Advisory Committee Members.</b> Pursuant to VTCA, Government Code §2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following committees:		
Behavioral Enforcement		
Continuing Professional Education		
Licensing		
Major Case Enforcement		
Peer Assistance Oversight		
Quality Review		
Qualifications		
Committee on Board Rule Changes		
Technical Standards Review		
5. <b>Contingent Revenue.</b> Of the amounts appropriated above to the Board of Public Accountancy in Strategy A.1.1, Licensing, the amount of \$21,391 in fiscal year 2002 and \$25,901 in fiscal year 2003, and in A.2.1, Strategy: Quality Review the amount of \$2,495 in fiscal year 2002 and \$3,045 in fiscal year 2003 and in B.1.1, Strategy: Enforcement the amount of \$19,243 in fiscal year 2002 and \$23,372 in fiscal year 2003 and in C.1.1, Strategy: Public Information the amount of \$8,315 in fiscal year 2002 and \$10,040 in fiscal year 2003 and in D.1.1, Strategy: Indirect Administration the amount of \$26,936 in fiscal year 2002 and \$32,692 in fiscal year 2003 is contingent on the Board of Public Accountancy assessing fees sufficient to generate, during the 2002–03 biennium, \$173,430 in excess of \$7,475,000 (Object Code 3175), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years 2002 and 2003. The Board of Public Accountancy, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Public Accountancy’s minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.		

STATE OFFICE OF ADMINISTRATIVE HEARINGS

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal: ADMINISTRATIVE HEARINGS</b>		
To provide Texas state agencies and citizens a fair and efficient administrative hearings and alternative dispute resolution process.		
<b>Outcome (Results/Impact):</b>		
Percentage of Participants Surveyed Expressing Satisfaction with Overall Process	89%	89%
<b>A.1.1. Strategy:</b> CONDUCT HEARINGS	\$ 4,923,054	\$ 4,966,347
Conduct hearings and prepare proposals for decision (PFDs) and proposed orders and final orders; monitor workloads of Administrative Law Judges (ALJs).		
<b>Output (Volume):</b>		
Number of Administrative License Revocation Cases		
Docketed and Decided	16,000	16,000
Number of Cases Disposed	23,600	25,900
Number of Administrative Fine Cases Disposed	410	415
<b>Efficiencies:</b>		
Average Cost Per Case	1,500	1,500
Average Number of Days from Close of Record to Issuance of PFD - Major Hearings	55	55
Average Time to Dispose of a Case (Median Number of Days)	80	80
<b>Explanatory:</b>		
Number of Cases Received	25,300	27,800
Number of Agencies Served	53	54
<b>A.2.1. Strategy:</b> CONDUCT ALT DISPUTE RESOLUTION	\$ 153,615	\$ 155,297
Conduct mediated settlement conferences, mediations, arbitrations and other alternative dispute resolution proceedings.		
<b>Efficiencies:</b>		
Average Cost Per Alternative Dispute Resolution Proceeding	1,700	1,700
<b>Explanatory:</b>		
Number of Alternative Dispute Resolution Cases Requested or Referred	70	70
<b>Total, Goal A: ADMINISTRATIVE HEARINGS</b>	<u>\$ 5,076,669</u>	<u>\$ 5,121,644</u>
<b>B. Goal: INDIRECT ADMINISTRATION</b>		
<b>B.1.1. Strategy:</b> INDIRECT ADMINISTRATION	\$ 1,013,283	\$ 1,023,328
<b>Grand Total, STATE OFFICE OF ADMINISTRATIVE HEARINGS</b>		
	<u><u>\$ 6,089,952</u></u>	<u><u>\$ 6,144,972</u></u>
<b>Method of Financing:</b>		
General Revenue Fund	\$ 1,312,355	\$ 1,416,845
Appropriated Receipts	100,000	100,000
Interagency Contracts	<u>4,677,597</u>	<u>4,628,127</u>
<b>Total, Method of Financing</b>	<u><u>\$ 6,089,952</u></u>	<u><u>\$ 6,144,972</u></u>
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	122.0	122.0
<b>Schedule of Exempt Positions:</b>		
Chief Administrative Law Judge, Group 3	\$94,832	\$94,832
<b>Supplemental Appropriations Made in Riders:</b>	\$ 246,520	\$ 17,520

## STATE OFFICE OF ADMINISTRATIVE HEARINGS

(Continued)

1. **Interagency Contracts.** In executing interagency contracts with state agencies under the jurisdiction of the State Office of Administrative Hearings, the State Office of Administrative Hearings shall establish procedures which will allow agencies to establish a limitation on the aggregate billable amount for a fiscal year.
2. **Renegotiation of Lump Sum Contracts.** Appropriations made above to Strategy A.1.1, Conduct Hearings, include \$938,860 in fiscal year 2002 and \$938,860 in fiscal year 2003 to fund the Natural Resources Division for the purpose of conducting hearings for the Texas Natural Resource Conservation Commission, appropriations made above to Strategy A.1.1, Conduct Hearings, include \$711,938 in fiscal year 2002 and \$711,938 in fiscal year 2003 to fund the Utility Division for the purpose of conducting hearings for the Public Utility Commission of Texas, and appropriations made above to Strategy A.1.1, Conduct Hearings, include \$2,524,586 in fiscal year 2002 and \$2,489,295 in fiscal year 2003 to fund the Administrative License Revocation program for the purpose of conducting hearings for the Department of Public Safety. The State Office of Administrative Hearings, the Natural Resource Conservation Commission, the Public Utilities Commission and the Department of Public Safety may not enter into a contract for an amount less than the specified amounts herein above. If the State Office of Administrative Hearings determines, at the end of each fiscal year, that the amount paid under a contract exceeds the funding necessary for the division funded by that contract, it shall refund the difference. If the State Office of Administrative Hearings determines that these amounts are insufficient to fund either of the named divisions or the Administrative License Revocation program, the State Office of Administrative Hearings may enter into negotiations with the agencies named above in order to renegotiate an interagency contract in a manner which will provide additional funds to the State Office of Administrative Hearings, provided that the State Office of Administrative Hearings shall not be appropriated any state funds from such renegotiated interagency contracts until the State Office of Administrative Hearings gives prior written notice to the Legislative Budget Board and the Governor, accompanied by written permission of the affected agency.
3. **Benefit Collection.** Those State of Texas agencies that enter into contracts with the State Office of Administrative Hearings (SOAH), for the purpose of performing the hearings function, and make payments to SOAH from funding sources other than general revenue, must reimburse SOAH for employee benefit costs for salaries and wages. These reimbursements to SOAH will then be paid to the General Revenue Fund in proportion to the source of funds from which the respective salary or wage is paid.
4. **Contingency Appropriation for Expanded Jurisdiction.** Contingent on the enactment of legislation by the Seventy-seventh Legislature transferring the hearings functions of other state agencies to the State Office of Administrative Hearings (SOAH), or otherwise expanding the jurisdiction of the office, SOAH is hereby authorized to expend funds transferred to the office from those agencies or funds appropriated for the purpose of handling the expanded jurisdiction, pursuant to provisions elsewhere in this Act. Appropriations authorized pursuant to this provision may be expended only to implement the transferred functions or expanded jurisdiction. All funds collected by SOAH as payment for, or reimbursement of, the office's costs of providing services to other state agencies or governmental entities, or others as directed by the Legislature, are appropriated to SOAH for its use during the biennium.
5. **Hearings Activity Report.** By May 1st and November 1st of each fiscal year, the State Office of Administrative Hearings shall submit to the Legislative Budget Board and the Governor's Office of Budget and Planning a report detailing hearings activity conducted during the prior two fiscal year quarters. The report shall indicate, for each agency served, the person hours allocated to the agency's cases and the cost, both direct and indirect, of conducting the hearings. The report shall also indicate, for each agency served, the number of cases received, the number of cases disposed of, the number of administrative fine cases disposed of and the

## STATE OFFICE OF ADMINISTRATIVE HEARINGS

(Continued)

median number of days between the date a case is received by the State Office of Administrative Hearings and the date the case is finally disposed of, during the reporting period.

6. **Interagency Contract for Administrative Law Judge Training.** Out of funds appropriated above, the State Office of Administrative Hearings shall enter into a contract in the amount of \$25,000 with the Texas Center for the Judiciary for training of Administrative Law Judges. Any amounts not expended as of August 31, 2002, are appropriated for the fiscal year beginning September 1, 2002.
7. **Billing Rate for Excess Workload.** Contingent on the referral to the State Office of Administrative Hearings of unanticipated levels of work by any agency for which the State Office of Administrative Hearings provided service during the 2000–01 biennium, the State Office of Administrative Hearings is authorized to bill that agency at a rate of \$90 per hour for each hour of work performed during each fiscal year of the biennium that exceeds by ten percent that agency's average annual workload (case related hours) handled by the State Office of Administrative Hearings for the 2000–01 biennium. This rider applies only to agencies that have hearing costs paid through an appropriation of General Revenue to the State Office of Administrative Hearings based upon hearing costs from previous fiscal years.
8. **Contingent Appropriation for House Bill 1618.**
  - a. The following provisions are contingent upon the enactment of House Bill 1618, or similar legislation that would assess an additional fee on drivers license reinstatements, the State Office of Administrative Hearings (SOAH) is hereby appropriated \$391,120 in fiscal year 2002 and \$162,120 in fiscal year 2003 out of the General Revenue Fund. In the "Method of Financing," the General Revenue Fund amounts shall be increased by \$391,120 in fiscal year 2002 and \$162,120 in fiscal year 2003, and the Interagency Contracts amounts shall be reduced by \$144,600 in fiscal year 2002 and \$144,600 in fiscal year 2003. The appropriation made above is contingent on the Comptroller of Public Accounts finding the information on the increased fee submitted by the Department of Public Safety sufficient to support the projection of increased fee revenues and issuing a finding of fact to that effect for the contingent appropriation to be made available for the intended purposes. The following agencies are covered by the additional General Revenue appropriation above and are not subject to Rider 7, Billing Rate for Excess Workload:
    - (1) Board of Public Accountancy
    - (2) Appraisal Certification and Licensing Board
    - (3) Board of Architectural Examiners
    - (4) Board of Barber Examiners
    - (5) Board of Chiropractic Examiners
    - (6) Cosmetology Commission
    - (7) Credit Union Department
    - (8) Board of Dental Examiners
    - (9) Board of Professional Engineers
    - (10) Funeral Services Commission
    - (11) Board of Professional Land Surveying
    - (12) Board of Medical Examiners
    - (13) Board of Nurse Examiners
    - (14) Board of Vocational Nurse Examiners
    - (15) Optometry Board
    - (16) Structural Pest Control Board
    - (17) Board of Pharmacy
    - (18) Executive Council of Physical and Occupational Therapy Examiners
    - (19) Board of Plumbing Examiners
    - (20) Board of Podiatric Medical Examiners
    - (21) Board of Examiners of Psychologists

**STATE OFFICE OF ADMINISTRATIVE HEARINGS**  
(Continued)

- (22) Board of Tax Professional Examiners
- (23) Board of Veterinary Medical Examiners

- b. In Rider 2, Renegotiation of Lump Sum Contracts, above, the amount of \$711,938 of General Revenue in each year of the 2002–03 biennium for the purpose of conducting hearings for the Public Utility Commission and the amounts of \$2,524,586 in fiscal year 2002 and \$2,489,295 in fiscal year 2003 of State Highway Fund 006 for the purpose of conducting hearings for the Department of Public Safety’s Administrative License Revocation program shall no longer be paid to SOAH by interagency contract but shall be transferred to SOAH. In the “Method of Financing,” the General Revenue Fund amounts shall increase by \$711,938 in each year of the 2002–03 biennium and the Interagency Contracts amounts shall decrease by \$3,236,524 in fiscal year 2002 and \$3,201,233 in fiscal year 2003. A new “Method of Financing” for State Highway Fund 006 shall be added with the amounts of \$2,524,586 and \$2,489,295. The State Highway Fund 006 appropriation shall not be used for any other purpose than to conduct hearings for the Department of Public Safety’s Administrative License Revocation program.
- c. Out of the funds appropriated above in Subsection (a), SOAH may expend the amounts listed below for capital budget items. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for “Lease Payments to the Master Lease Purchase Program” or for other items with an “(MLPP)” notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code §1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under “Acquisition of Information Resources Technologies” may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	<u>2002</u>	<u>2003</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
1. Purchase Docket Management System	\$ <u>246,520</u>	\$ <u>17,520</u>
Total, Capital Budget	\$ <u><u>246,520</u></u>	\$ <u><u>17,520</u></u>

- d. Out of funds appropriated above in Subsection (a), SOAH shall enter into a contract with the Office of Court Administration for the purpose of implementing the second phase of the docket management system in the amounts of \$246,520 in fiscal year 2002 and \$17,520 in fiscal year 2003.

BOARD OF ARCHITECTURAL EXAMINERS\*

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal: REGISTRATION STANDARDS</b>		
To establish and implement quality standards of professional education, internship, and examination for the registration of architects, landscape architects, and interior designers.		
<b>Outcome (Results/Impact):</b>		
Percent of Licensees with No Recent Violations	99.6%	99.7%
<b>A.1.1. Strategy:</b> REGISTRATION AND RENEWAL	\$ 836,882	\$ 779,954
Operate an efficient and comprehensive registration system, including initial registration by examination and reciprocity, and the continuing renewal of current registration.		
<b>Output (Volume):</b>		
Number of New Licenses Issued to Individuals	570	575
Number of Licenses Renewed (Individuals)	18,956	19,146
<b>A.1.2. Strategy:</b> BUY AND GRADE NATIONAL EXAMINATIONS	\$ 262,000	\$ 268,000
Purchase and grade national examinations. (estimated and nontransferable).		
<b>Total, Goal A:</b> REGISTRATION STANDARDS	\$ 1,098,882	\$ 1,047,954
<b>B. Goal: EDUCATION AND ENFORCEMENT</b>		
To establish and implement an education/enforcement program to promote compliance with laws and rules; and to swiftly and assertively enforce all laws and rules relating to the practice of the profession of architecture, landscape architecture, and interior design to ensure that the public’s health, safety, and property are protected from the irresponsible practice of these professions.		
<b>Outcome (Results/Impact):</b>		
Percent of Complaints Resulting in Disciplinary Action	51%	52%
<b>B.1.1. Strategy:</b> PUBLIC INFORMATION	\$ 83,552	\$ 84,117
Provide information to registrants, the public, building officials, and schools through mailings and presentations regarding architecture, landscape architecture, and interior design.		
<b>B.2.1. Strategy:</b> ENFORCEMENT	\$ 378,077	\$ 350,387
Promptly act and proactively enforce all laws regulated by the Board of Architectural Examiners to safeguard the life, health, property and public welfare.		
<b>Output (Volume):</b>		
Complaints Resolved	358	365
<b>Efficiencies:</b>		
Average Cost Per Investigation	600	600
<b>Total, Goal B:</b> EDUCATION AND ENFORCEMENT	\$ 461,629	\$ 434,504
<b>Grand Total, BOARD OF ARCHITECTURAL EXAMINERS</b>	\$ 1,560,511	\$ 1,482,458

\*This appropriation is voided by Article IX, Section 10.42, page IX-94. Senate Bill 736 appropriates \$728,624 for 2002–03 to the Board of Architectural Examiners.



BOARD OF ARCHITECTURAL EXAMINERS  
(Continued)

<b>Method of Financing:</b>		
General Revenue Fund	\$ 1,553,616	\$ 1,475,238
Appropriated Receipts	<u>6,895</u>	<u>7,220</u>
<b>Total, Method of Financing</b>	<u><u>\$ 1,560,511</u></u>	<u><u>\$ 1,482,458</u></u>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>		
	\$ 333,719	\$ 345,197
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	19.0	19.0
<b>Number of FTEs in Riders:</b>	2.0	2.0
<b>Schedule of Exempt Positions:</b>		
Executive Director, Group 2	\$65,000	\$65,000
Per Diem of Board Members	5,340	5,340
<b>Supplemental Appropriations Made in Riders:</b>	\$ 290,000	\$ 100,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for “Lease Payments to the Master Equipment Purchase Program” or for items with an “(MLPP)” notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2002</u>	<u>2003</u>
Out of the General Revenue Fund:		
a. Acquisition of Capital Equipment and Items		
(1) Acquisition of Workstations & Office Equipment	\$ 23,300	\$ 0
Total, Capital Budget	<u><u>\$ 23,300</u></u>	<u><u>\$ 0</u></u>

2. **Fee Rates.** To provide for the recovery of costs for the preceding appropriations, the following fee rates are established pursuant to VTCA, Government Code Chapter 316, § 316.041-316.045, to be effective during fiscal years 2002–03, beginning September 1, 2001, and September 1, 2002.

		<u>2002</u>		<u>2003</u>
(1) NCARB Examination Fee	NTE	\$981	NTE	\$981
(2) LARE Examination Fee	NTE	\$645	NTE	\$670
(3) NCIDQ Examination Fee	NTE	\$655	NTE	\$655

Any fee rates established or modified by the Board of Architectural Examiners during the 2002–03 biennium, other than those identified in this Act, shall be at the discretion of the Board as authorized by statute.

3. **Examination Fee for Architects.** The Board of Architectural Examiners may charge in excess of \$981 for the examination fee for architects provided: 1) the Board aggressively pursues actions to reduce the cost of the national examination fee; and 2) no later than August 1 of each fiscal year, the Board shall submit a report to the Legislative Budget Board which

BOARD OF ARCHITECTURAL EXAMINERS
(Continued)

includes the actions taken by the Board to reduce the examination rate and the proposed fee to be charged effective September 1 of each fiscal year. In the event the Legislative Budget Board determines that the Board's efforts have not resulted in a reasonable examination fee, the Board of Architectural Examiners shall take appropriate steps to develop a state examination for architects.

- 4. Contingent Revenue. Of the amounts appropriated above to the Board of Architectural Examiners in Strategy A.1.1, Registration and Renewal, the amount of \$94,056 in fiscal year 2002 and \$31,740 in fiscal year 2003 and for the purpose of hiring an additional investigator in Strategy B.2.1 Enforcement, the amount of \$89,805 in fiscal year 2002 and \$62,115 in fiscal year 2003 is contingent on the Board of Architectural Examiners assessing fees sufficient to generate, during the 2002-03 biennium, \$306,591 in excess of \$5,106,000 (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. Also contingent on the Board of Architectural Examiners meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by two in 2002 and two in 2003. The Board of Architectural Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Architectural Examiners' minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purpose.
- 5. Scholarship Fund Balances and Revenue Appropriation: In addition to the amounts above, the Texas Board of Architectural Examiners is appropriated any unexpended balances remaining as of August 31, 2001 from the sums collected by the Board during the 2000-01 biennium for the examination fee scholarship program established by the 76th Legislature through the enactment of House Bill 1248 (estimated to be \$190,000) and all revenues collected by the Board during the 2002-03 biennium for the examination fee scholarship program (estimated to be \$200,000).

BOARD OF BARBER EXAMINERS

	For the Years Ending	
	August 31,	August 31,
	2002	2003
Out of the General Revenue Fund:		
A. Goal: EXAMINE AND LICENSE		
To protect the consumer by ensuring that applicants for licensure receive a prescribed course of study from qualified instructors and that all licensees are informed of changes in the laws and rules governing barbering. To examine and license all qualified individuals.		
Outcome (Results/Impact):		
Percent of Licensees with No Recent Violations	98%	98%
A.1.1. Strategy: LICENSING	\$ 219,059	\$ 181,071
Examine and license barbers, specialists, and teachers in Texas.		
Output (Volume):		
Number of New Licenses Issued to Individuals	900	900
Number of Licenses Renewed (Individuals)	9,000	9,000

BOARD OF BARBER EXAMINERS  
(Continued)

B. Goal: ENFORCEMENT

To provide timely inspections of barbershops and barber schools; to enforce effectively the rules and regulations set forth and ensure the compliance of barber laws and regulations by the barbershops, specialty shops, schools and individual licensees. Additionally, to resolve complaints and violations on a timely basis for the protection of the consumer.

<b>B.1.1. Strategy:</b> INVESTIGATIONS	\$	370,875	\$	368,550
Operate a system of enforcement which includes investigating and resolving complaints and positioning of inspectors in each of the state's enforcement areas.				
<b>Output (Volume):</b>				
Complaints Resolved		30		30
<b>Efficiencies:</b>				
Average Time for Complaint Resolution		55		55

<b>Grand Total, BOARD OF BARBER EXAMINERS</b>	<b>\$</b>	<b><u>589,934</u></b>	<b>\$</b>	<b><u>549,621</u></b>
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<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	<b>\$</b>	<b>268,751</b>	<b>\$</b>	<b>286,586</b>
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<b>Number of Full-Time-Equivalent Positions (FTE):</b>		14.0		14.0
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<b>Schedule of Exempt Positions:</b>				
Executive Director		\$45,000		\$45,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

		<u>2002</u>		<u>2003</u>
Out of the General Revenue Fund:				
a. Acquisition of Information Resource Technologies				
(1) Purchase Computer Hardware and Software	\$	15,000	\$	0
b. Acquisition of Capital Equipment and Items				
(1) Telephone Handsets		1,925		0
(2) Modular Furniture for Relocation	\$	<u>12,000</u>	\$	<u>0</u>
Total, Acquisition of Capital Equipment and Items	\$	<u>13,925</u>	\$	<u>0</u>
Total, Capital Budget	\$	<u>28,925</u>	\$	<u>0</u>

BOARD OF BARBER EXAMINERS  
(Continued)

2. **Enforcement and Colocation.** None of the funds appropriated above shall be expended unless:
- a. an interagency contract has been signed by the Board of Barber Examiners and the Cosmetology Commission for the purpose of maintaining a statewide crossover inspection and enforcement program during the 2002–03 biennium; and
  - b. the colocation of Board of Barber Examiners with the Cosmetology Commission in the Frank Joseph Cosmetology State Office Building is complete by January 1, 2002.

A copy of the signed crossover enforcement contract, colocation plan, and letter stating that colocation is complete shall be sent to the Legislative Budget Board, the Governor's Office of Budget and Planning, and the Comptroller of Public Accounts.

3. **Fee Rates.** The amounts appropriated above may be expended only if the barber certificate renewal fee is no less than \$70 per renewal period.
4. **Contingent Revenue.** Of the amounts appropriated above to the Board of Barber Examiners, the amount of \$37,988 in fiscal year 2002 in Strategy A.1.1, Licensing, and the amount of \$2,325 in fiscal year 2002 in Strategy B.1.1, Investigations, are contingent upon the Board of Barber Examiners assessing fees sufficient to generate, during the 2002–03 biennium, \$40,313 in excess of \$1,956,000 (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Board of Barber Examiners shall furnish copies of all supporting documentation for the additional revenue to be generated for the 2002–03 biennium to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

BOARD OF CHIROPRACTIC EXAMINERS

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal: ENSURE PUBLIC PROTECTION</b>		
To pursue the avenues of examination, licensure, and enforcement to insure that only qualified individuals are licensed as Doctors of Chiropractic, and that they are abiding by the laws and rules governing chiropractic in Texas; to guarantee that the public is protected from incompetent services, fraud, and misrepresentation.		
<b>Outcome (Results/Impact):</b>		
Percent of Licensees with No Recent Violations	99%	99%
Percent of Complaints Resulting in Disciplinary Action	17%	17%
<b>A.1.1. Strategy: LICENSING SYSTEM</b>	\$ 170,481	\$ 170,798
Operate an efficient, cost-effective, and comprehensive chiropractic certification and licensure system.		
<b>Output (Volume):</b>		
Number of New Licenses Issued to Individuals	315	325
Number of Licenses Renewed (Individuals)	4,436	4,569
<b>Efficiencies:</b>		
Average Licensing Cost Per Individual License Issued	9.5	9.5
Average Licensing Cost Per Facility License Issued	5.3	5.3
<b>Explanatory:</b>		
Total Number of Business Facilities Licensed	2,546	2,623
<b>A.2.1. Strategy: ENFORCEMENT</b>	\$ 172,873	\$ 172,874
Operate a system of enforcement which includes investigating and resolving complaints.		

BOARD OF CHIROPRACTIC EXAMINERS  
(Continued)

<b>Output (Volume):</b>		
Number of Complaints Resolved	240	240
<b>Efficiencies:</b>		
Average Time Per Complaint Resolution (Days)	90	90
<b>Explanatory:</b>		
Number of Jurisdictional Complaints Received	300	310
<b>Total, Goal A: ENSURE PUBLIC PROTECTION</b>	<b>\$ 343,354</b>	<b>\$ 343,672</b>
<b>Grand Total, BOARD OF CHIROPRACTIC EXAMINERS</b>	<b>\$ 343,354</b>	<b>\$ 343,672</b>
<b>Method of Financing:</b>		
General Revenue Fund	\$ 330,347	\$ 330,665
Appropriated Receipts	13,007	13,007
<b>Total, Method of Financing</b>	<b>\$ 343,354</b>	<b>\$ 343,672</b>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	<b>\$ 137,826</b>	<b>\$ 144,484</b>
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	<b>7.0</b>	<b>7.0</b>
<b>Schedule of Exempt Positions:</b>		
Executive Director, Group 1	\$52,000	\$52,000
Per Diem of Board Members	4,050	4,050

1. **Contingent Revenue.** Of the amounts appropriated above to the Board of Chiropractic Examiners in A.1.1. Strategy: Licensing System, the amount of \$628 in fiscal year 2002 and \$946 in fiscal year 2003 is contingent on the Board of Chiropractic Examiners assessing fees sufficient to generate, during the 2002–03 biennium, \$1,680 in excess of \$1,624,000, (Object Code 3562), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years 2002 and 2003. The Board of Chiropractic Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Chiropractic Examiners’ minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

COSMETOLOGY COMMISSION

For the Years Ending		
	August 31,	August 31,
	2002	2003
<b>A. Goal: LICENSING &amp; ENFORCEMENT</b>		
To protect the public by licensing the cosmetology profession, establishing standards for professional practice, and ensuring swift, fair, and effective enforcement of the statute so that consumers are protected from incompetent services, fraud, and misrepresentation.		
<b>Outcome (Results/Impact):</b>		
Percent of Licensees with No Recent Violations	98%	98%
Percent of Complaints Resulting in Disciplinary Action	30%	30%

COSMETOLOGY COMMISSION  
(Continued)

<b>A.1.1. Strategy:</b> LICENSING	\$	774,772	\$	630,921
Examine applicants and issue individual and establishment licenses.				
<b>Output (Volume):</b>				
Number of New Licenses Issued to Individuals		17,950		17,950
Number of Licenses Renewed (Individuals)		78,550		78,550
<b>Efficiencies:</b>				
Average Licensing Cost Per Individual License Issued		3.6		3.6
Average Licensing Cost Per Facility License		3.6		3.6
<b>A.2.1. Strategy:</b> ENFORCEMENT	\$	1,166,934	\$	1,116,845
Enforce laws and rules by conducting inspections and investigations and, upon review of complaints, recommending disciplinary or other action to be taken.				
<b>Output (Volume):</b>				
Complaints Resolved		420		420
Individual Licensees Inspected		40,000		40,000
Establishments Inspected		20,500		20,500
<b>Efficiencies:</b>				
Average Time for Complaint Resolution		30		25
<b>A.3.1. Strategy:</b> PUBLIC INFORMATION	\$	<u>408,112</u>	\$	<u>288,523</u>
To distribute information to the general public and the cosmetology community.				
<b>Output (Volume):</b>				
Number of Information Packets Distributed to Individuals and Establishments		70,000		70,000
<b>Total, Goal A:</b> LICENSING & ENFORCEMENT	\$	<u>2,349,818</u>	\$	<u>2,036,289</u>
<b>Grand Total, COSMETOLOGY COMMISSION</b>	\$	<u><u>2,349,818</u></u>	\$	<u><u>2,036,289</u></u>
<b>Method of Financing:</b>				
General Revenue Fund	\$	2,019,052	\$	1,826,289
Appropriated Receipts		<u>330,766</u>		<u>210,000</u>
<b>Total, Method of Financing</b>	\$	<u><u>2,349,818</u></u>	\$	<u><u>2,036,289</u></u>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	\$	759,272	\$	790,103
<b>Number of Full-Time-Equivalent Positions (FTE):</b>		44.5		44.5
<b>Schedule of Exempt Positions:</b>				
Executive Director, Group 1		\$46,338		\$46,338
Per Diem of Commissioners		4,000		4,000
<b>Supplemental Appropriations Made in Riders:</b>	\$	70,000	\$	0
1. <b>Capital Budget.</b> None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.				

**COSMETOLOGY COMMISSION**  
(Continued)

	<u>2002</u>	<u>2003</u>
Out of the General Revenue Fund:		
a. Construction of Buildings and Facilities	\$ 33,233	\$ 0
b. Acquisition of Information Resource Technologies		
(1) Purchase Telephone System	64,000	0
Total, Capital Budget	<u>\$ 97,233</u>	<u>0</u>
2. <b>Enforcement and Colocation.</b> None of the funds appropriated above shall be expended unless:		
a. an interagency contract has been signed by the Board of Barber Examiners and the Cosmetology Commission for the purpose of maintaining a statewide crossover inspection and enforcement program during the 2002–03 biennium;		
b. the Cosmetology Commission is moved within Frank Joseph Cosmetology State Office Building to accommodate the Board of Barber Examiners by October 1, 2001; and		
c. the colocation of the Board of Barber Examiners with the Cosmetology Commission in the Frank Joseph Cosmetology State Office Building is complete by January 1, 2002.		
 A copy of the signed crossover enforcement contract, colocation plan, and letter stating that colocation is complete shall be sent to the Legislative Budget Board, the Governor's Office of Budget and Planning and the Comptroller of Public Accounts.		
3. <b>Appropriation: Tuition Protection Account.</b> The Cosmetology Commission is hereby appropriated an amount not to exceed \$70,000 for the biennium beginning September 1, 2001, from balances on hand in the Private Beauty Culture (Cosmetology) School Tuition Account No. 108 in the General Revenue Fund for the purposes of paying expenses and refunds authorized by the commission under the provisions of Occupations Code, §§ 1602.463 and 1602.464.		
4. <b>Fee Rates.</b> To provide for the recovery of costs for the preceding appropriations, the following fee rates shall not be less than:		
a. License and Renewal Fees:		
(1) Individual Licenses	\$43.00	
(2) Instructor Licenses	\$60.00	
(3) Salon Licenses	\$55.00	
(4) Independent Contractor	\$55.00	
b. Duplicate License Fees:		
(1) All Licenses	\$43.00	
5. <b>Limitation on Travel Expenditures.</b> Reimbursements for travel expenditures of the Director of Enforcement shall be limited to \$5,000 per year and may only be expended for inspections and investigations.		
6. <b>Cosmetology School Inspections.</b> Cosmetology schools, with the exception of schools in districts without a designated inspector, shall be inspected by an inspector assigned to that district. Schools located in districts without a designated inspector may be inspected by the Director of Enforcement.		

COSMETOLOGY COMMISSION  
(Continued)

7. **Limitation on Out-of-State Travel.** None of the funds appropriated above may be used for expenditures or reimbursements of expenditures for out-of-state travel, except for the Executive Director and no more than one commission member per trip.
8. **Overnight Travel.** It is the intent of the Legislature that the Cosmetology Commission shall maintain written overnight travel policies and procedures.
9. **Redistricting.** It is the intent of the Legislature that the Cosmetology Commission redraw the boundaries of the inspection districts to align with the number of inspectors that are on staff at the agency.
10. **Contingent Revenue.** Of the amounts appropriated above to the Cosmetology Commission, the amount of \$80,263 in fiscal year 2002 in Strategy A.1.1, Licensing, the amount of \$21,500 in fiscal year 2002 in Strategy A.2.1, Enforcement, and the amount of \$21,000 in fiscal year 2002 in Strategy A.3.1, Public Information, are contingent upon the Cosmetology Commission assessing fees sufficient to generate, during the during the 2002–03 biennium, \$122,763 in excess of \$12,406,000 (Object Code 3175), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years 2002 and 2003. The Cosmetology Commission shall furnish copies of all supporting documentation for the additional revenue to be generated for the 2002–03 biennium to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

CREDIT UNION DEPARTMENT

	For the Years Ending	
	August 31,	August 31,
	2002	2003
<b>Out of the General Revenue Fund:</b>		
<b>A. Goal: EFFECTIVE SUPERVISION &amp; REGULATION</b>		
To effectively supervise and regulate state-chartered credit unions through enforcement of safety and soundness standards and compliance with the Texas Finance Code, and in a manner that balances the interest of the membership and the need for public confidence in the credit union system.		
<b>Outcome (Results/Impact):</b>		
Percentage of Credit Unions Receiving Regular Examinations Annually	94.5%	96%
Percentage of Safe and Sound Credit Unions	91%	91%
Percentage of Complete Charter and Bylaw Applications Approved or Denied within 60 Days	93%	93%
<b>A.1.1. Strategy: EXAMINE CREDIT UNIONS</b>	\$ 1,357,880	\$ 1,397,917
Examine and monitor state-chartered credit unions for safe and sound operations and compliance with all applicable state and federal laws, rules and regulations based on a schedule determined by the credit unions’ perceived risk, in the most efficient and effective manner possible.		
<b>Output (Volume):</b>		
Number of Examinations Performed	261	261
<b>Efficiencies:</b>		
Average Cost Per Regular Examination	5,200	5,200



CREDIT UNION DEPARTMENT  
(Continued)

<b>Explanatory:</b>		
Number of State-chartered Credit Unions	253	250
Percentage of Credit Unions Providing Services to Low Income or Underserved Populations	5%	5%
<b>A.2.1. Strategy:</b> PROCESS APPLICATIONS	\$ 82,181	\$ 77,279
Process, investigate and evaluate applications for amendments to bylaws and articles of incorporation, new charters, mergers/consolidations; submit requests for hearings on contested decisions to the State Office of Administrative Hearings; and follow state laws and rules regarding notification of applications received and final actions taken.		
<b>Output (Volume):</b>		
Number of Applications Processed	110	110
<b>Total, Goal A:</b> EFFECTIVE SUPERVISION & REGULATION	\$ 1,440,061	\$ 1,475,196
<b>B. Goal:</b> ENSURE SAFETY AND SOUNDNESS		
Through interaction with the Credit Union Commission and the Legislature, recommend statutory and rule changes to ensure that credit unions operate in a safe and sound manner in a competitive and ever changing financial services industry.		
<b>Outcome (Results/Impact):</b>		
Percentage of Rule Changes Provided to Credit Unions within 60 Days after Adoption	100%	100%
<b>B.1.1. Strategy:</b> DEPARTMENTAL OVERSIGHT	\$ 83,387	\$ 81,691
Provide oversight of departmental operations.		
<b>Grand Total, CREDIT UNION DEPARTMENT</b>	<u>\$ 1,523,448</u>	<u>\$ 1,556,887</u>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>		
	\$ 337,177	\$ 361,056
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	26.0	26.0
<b>Number of FTEs in Riders:</b>	3.0	5.0
<b>Schedule of Exempt Positions:</b>		
Commissioner, Group 3	\$95,000	\$95,000
Per Diem of Commission Members	540	540
<b>Supplemental Appropriations Made in Riders:</b>	\$ 120,000	\$ 192,000
<b>1. Capital Budget.</b> None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.		

CREDIT UNION DEPARTMENT  
(Continued)

	<u>2002</u>	<u>2003</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resource Technologies	\$ 21,782	\$ 0
Total, Capital Budget	<u>\$ 21,782</u>	<u>\$ 0</u>
2. <b>Appropriation: Supervisions and Conservatorships.</b> Funds received by the Credit Union Department pursuant to supervision or conservatorship proceedings, as authorized by the Texas Finance Code (VTCA, § 126.101), are hereby appropriated for costs related to such proceedings, including the salary and per diem of the appointed supervisor or conservator.		
3. <b>Reimbursement of Advisory Committee Members.</b> Pursuant to VTCA, Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the Legislative Advisory Committee.		
4. <b>Appropriation: Educational and Examination Receipts.</b> Funds received by the Credit Union Department to support staff attendance at graduate schools of banking, seminars, conferences, or other training or education activity considered by the commissioner to be of benefit to the department are hereby appropriated to the department for such purposes. The Texas Credit Union Department is also authorized to accept funds for reimbursement from the National Credit Union Share Insurance Fund, or any other insurer, for costs incidental or necessary to examination and supervision of credit unions.		
5. <b>Contingency Appropriation: Regulatory Response.</b>		
a. Contingent upon a finding of fact by the Credit Union Commission that either:		
(1) the size of the state-chartered credit union industry under the jurisdiction of the Credit Union Department, determined either as a function of assets or number of institutions, has grown to a point where additional appropriations are deemed necessary to maintain adequate regulation of the industry; or		
(2) increased incidents of regulatory and supervisory concern regarding the safe and sound operations of credit unions under the Department's jurisdiction have occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry; or		
(3) a reduction of federal regulatory resources applied to the Texas state-chartered credit union industry by the National Credit Union Administration has occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry;		
the following amounts, or any part thereof as found to be necessary by the Credit Union Commission, are hereby appropriated to the Texas Credit Union Department out of the General Revenue Fund in an amount not to exceed \$120,000 for fiscal year 2002 and an amount not to exceed \$192,000 for fiscal year 2003 and the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than 3 for fiscal year 2002 and 5 for fiscal year 2003.		

CREDIT UNION DEPARTMENT  
(Continued)

- b. None of the funds appropriated pursuant to this provision may be expended by the Texas Credit Union Department unless:
- (1) the Credit Union Commission files a written copy of the finding of fact, referenced in subsection (a) above, with the Governor’s Office and the Legislative Budget Board; and,
  - (2) neither the Governor’s Office nor the Legislative Budget Board issues a written disapproval within 30 days of the receipt of the finding of fact.
  - (3) the appropriations in item 5(a) are also contingent upon the Department generating sufficient additional fee revenues to cover these contingency appropriations and related employee benefits and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriations. These increased revenues must exceed \$3,420,173 (Object Code 3172) contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal year 2002 and fiscal year 2003. The revenue amounts required by this section shall be separate from, and addition to, the requirement in Section 6 below.

6. **Contingent Revenue.** Of the amounts appropriated above to the Credit Union Department in Strategy A.1.1, Examine Credit Unions, the amount of \$136,548 in fiscal year 2002 and \$177,610 in fiscal year 2003, and in Strategy A.2.1, Process Applications, the amount of \$4,357 in fiscal year 2002, and in Strategy B.1.1, Departmental Oversight, the amount of \$3,267 in fiscal year 2002, is contingent on the Credit Union Department assessing fees sufficient to generate, during the 2002–03 biennium, \$406,622 in excess of \$3,420,173 (Object Code 3172), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal year 2002 and fiscal year 2003. The Credit Union Department, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

TEXAS STATE BOARD OF DENTAL EXAMINERS

	For the Years Ending	
	August 31,	August 31,
	2002	2003
<b>A. Goal:</b> QUALITY DENTAL CARE		
To ensure quality dental care for the people of Texas.		
<b>Outcome (Results/Impact):</b>		
Percent of Complaints Resulting in Disciplinary Action	12.5%	12.5%
Percent of Licensees with No Recent Violations	99%	99%
<b>A.1.1. Strategy:</b> COMPLAINT RESOLUTION	\$ 749,189	\$ 744,589
Conduct enforcement and compliance functions including: investigating all complaints; prosecuting those complaints through informal or formal disciplinary means; pursuing compliance with disciplinary actions and conditions; and, interacting with the public and profession on matters of law and rules.		
<b>Output (Volume):</b>		
Number of Complaints Resolved	500	500

TEXAS STATE BOARD OF DENTAL EXAMINERS  
(Continued)

<b>Efficiencies:</b>		
Average Time for Complaint Resolution	315	315
<b>Explanatory:</b>		
Number of Jurisdictional Complaints Received	500	500
<b>A.1.2. Strategy:</b> PEER ASSISTANCE PROGRAM	\$ 131,903	\$ 131,903
Operate a Peer Assistance Program.		
<b>Output (Volume):</b>		
Number of Licensed Individuals Participating in a Peer Assistance Program	80	80
<b>A.2.1. Strategy:</b> LICENSURE & REGISTRATION	\$ 503,686	\$ 504,651
Conduct a timely and cost effective licensing and registration process for dentists, dental hygienists, dental health care workers, and dental laboratories including a comprehensive and efficient system of administering and evaluating dental, dental hygiene, and auxiliary examinations.		
<b>Output (Volume):</b>		
Number of New Licenses Issued to Individuals	800	800
Number of Licenses Renewed (Individuals)	19,932	20,032
<b>Efficiencies:</b>		
Average Licensing Cost Per Individual License Issued	8	8
Average Licensing Cost Per Facility License Issued	8.5	8.5
<b>Explanatory:</b>		
Total Number of Business Facilities Licensed	1,050	1,050
<b>Total, Goal A:</b> QUALITY DENTAL CARE	\$ 1,384,778	\$ 1,381,143
<b>Grand Total,</b> TEXAS STATE BOARD OF DENTAL EXAMINERS	\$ 1,384,778	\$ 1,381,143
<b>Method of Financing:</b>		
General Revenue Fund	\$ 1,247,223	\$ 1,243,587
Appropriated Receipts	137,555	137,556
<b>Total, Method of Financing</b>	\$ 1,384,778	\$ 1,381,143
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	\$ 415,282	\$ 429,997
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	27.0	27.0
<b>Schedule of Exempt Positions:</b>		
Executive Director, Group 2	\$63,000	\$63,000
Per Diem of Board Members	21,840	21,840
1. <b>Reimbursement of Advisory Committee Members.</b> Pursuant to VTCA, Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees:		
a. Dental Hygiene Advisory Committee		
b. Dental Laboratory Certification Council		
2. <b>Contingent Revenue.</b> Of the amounts appropriated above to the Texas State Board of Dental Examiners in A.1.1. Strategy: Complaint Resolution, the amount of \$39,168 in fiscal year 2002 and \$34,568 in fiscal year 2003, and in A.2.1. Strategy: Licensure and Registration, \$1,899 in fiscal year 2002 and \$2,863 in fiscal year 2003 is contingent on the Texas State Board of Dental Examiners assessing fees sufficient to generate, during the 2002–03 biennium, \$96,394 in		

TEXAS STATE BOARD OF DENTAL EXAMINERS  
(Continued)

excess of \$3,304,000 (Object Code 3562), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Texas State Board of Dental Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Texas State Board of Dental Examiners' minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

3. **Documentation and Record Keeping.** The Texas State Board of Dental Examiners shall work with the Texas Department of Health and the Health and Human Services Commission to establish and adopt a minimum standard of documentation and record keeping for dentists that applies equally to all patients regardless of pay status.

BOARD OF PROFESSIONAL ENGINEERS\*

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal: COMPETENT LICENSEES</b>		
Provide a licensing system to assure that professional engineering in Texas is practiced only by qualified and competent Texas licensees.		
<b>Outcome (Results/Impact):</b>		
Percent of Licensees with No Recent Violations	99.7%	99.7%
<b>A.1.1. Strategy:</b> REGISTRATION & EVALUATION	\$ 437,489	\$ 437,489
Provide licensing assistance, review and evaluate all applications for licensure, and license those found to be qualified.		
<b>Output (Volume):</b>		
Number of New Licenses Issued to Individuals	1,400	1,400
<b>Efficiencies:</b>		
Average Licensing Cost Per Individual License Issued	25	25
<b>A.1.2. Strategy:</b> EXAMINATIONS	\$ 282,225	\$ 282,225
Purchase, grade, and administer the engineering examinations provided by the National Council of Examiners for Engineering and Surveying (NCEES) required for registration. (estimated and nontransferable).		
<b>A.1.3. Strategy:</b> REGISTRY SERVICES	\$ 522,310	\$ 522,310
Maintain an up-to-date registry and provide timely information to license holders regarding the law, board rules, and continuing professional competency.		
<b>Output (Volume):</b>		
Number of Licenses Renewed (Individuals)	47,800	48,100
<b>Total, Goal A: COMPETENT LICENSEES</b>	\$ 1,242,024	\$ 1,242,024
<b>B. Goal: ENFORCE ENGINEERING ACT</b>		
To provide the public with swift, fair, effective enforcement and protect the health, safety, and welfare of the people of Texas.		
<b>Outcome (Results/Impact):</b>		
Percent of Complaints Resulting in Disciplinary Action	32%	32%

\*This appropriation is voided by Article IX, Section 10.42, page IX-94. Senate Bill 736 appropriates \$1,070,500 for 2002–03 to the Board of Professional Engineers.

BOARD OF PROFESSIONAL ENGINEERS  
(Continued)

<b>B.1.1. Strategy:</b> ENFORCEMENT	\$	390,276	\$	390,276
Investigate and reach final resolution of reported violations.				
<b>Output (Volume):</b>				
Complaints Resolved		300		300
<b>Efficiencies:</b>				
Average Cost Per Complaint Investigation		295		295
<b>Grand Total, BOARD OF PROFESSIONAL ENGINEERS</b>	<b>\$</b>	<b><u>1,632,300</u></b>	<b>\$</b>	<b><u>1,632,300</u></b>
<b>Method of Financing:</b>				
General Revenue Fund	\$	1,623,600	\$	1,623,600
Appropriated Receipts		<u>8,700</u>		<u>8,700</u>
<b>Total, Method of Financing</b>	<b>\$</b>	<b><u>1,632,300</u></b>	<b>\$</b>	<b><u>1,632,300</u></b>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	\$	331,365	\$	349,988
<b>Number of Full-Time-Equivalent Positions (FTE):</b>		25.0		25.0
<b>Schedule of Exempt Positions:</b>				
Executive Director, Group 3		\$75,000		\$75,000
Per Diem of Board Members		6,500		6,500

FINANCE COMMISSION OF TEXAS

	For the Years Ending			
	August 31,	August 31,		
	<u>2002</u>	<u>2003</u>		
<b>Out of the General Revenue Fund:</b>				
<b>A. Goal:</b> INSURE SAFETY AND SOUNDNESS				
To insure that the regulated financial institutions operate in a safe and sound manner and comply with all applicable state laws.				
<b>A.1.1. Strategy:</b> DEPARTMENTAL OVERSIGHT	\$	197,970	\$	197,970
Provide oversight of departmental operations.				
<b>Output (Volume):</b>				
Number of Cases Set for Hearing		200		200
<b>Grand Total, FINANCE COMMISSION OF TEXAS</b>	<b>\$</b>	<b><u>197,970</u></b>	<b>\$</b>	<b><u>197,970</u></b>
<b>Number of Full-Time-Equivalent Positions (FTE):</b>		1.5		1.5
<b>Schedule of Exempt Positions:</b>				
Executive Director (part time)		\$6,427		\$6,427
Per Diem of Commission Members		2,160		2,160

1. **Unexpended Balance: Credit Research.** Any unexpended and unobligated balances remaining from appropriations for research on the availability of credit as of August 31, 2002, in an amount not to exceed \$100,000 out of revenues collected from Loan Administration Fees, are hereby appropriated to the Finance Commission for the same purpose for the fiscal year beginning September 1, 2002.

FINANCE COMMISSION OF TEXAS  
(Continued)

2. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Finance Commission are made contingent on the continuation of the Finance Commission by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

DEPARTMENT OF BANKING

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal: EFFECTIVE REGULATION</b>		
To ensure timely, fair, and effective supervision and regulation of the financial institutions and other licensees under our jurisdiction in order to promote a stable banking and financial services environment and provide the public with convenient, safe and competitive financial services.		
<b>Outcome (Results/Impact):</b>		
Percentage of Banks Receiving Examinations When Due	95%	95%
Percentage of Currency Exchange Licensees Examined by Special Audit When Due	90%	90%
Percentage of Bank and Trust, Sale of Check and Currency Exchange Applications Completed within the Statutory Time Period	90%	90%
<b>A.1.1. Strategy: BANK EXAMINATION</b>	\$ 7,066,235	\$ 7,065,866
Conduct commercial bank, trust company, foreign bank agency, and foreign representative office examinations, in cooperation with federal regulatory entities, in conformance with the examination priority schedule. Maintain national accreditation. Maintain contact with, and monitor the condition of, regulated entities between examinations. Optimize efficiencies in the examination process, including automating examination procedures and reference materials. Research and report on new regulatory responses to changing industry and economic conditions. Provide the industry with electronic access to regulatory and supervisory information through the website.		
<b>Output (Volume):</b>		
Number of Bank and Foreign Bank Examinations Performed	140	140
Number of Trust Company, Trust Department, and Electronic Data Processing Examinations or Certifications and Other Specialized Reviews Performed	135	145
<b>Explanatory:</b>		
Percentage of State-chartered Bank Assets in Banks Classified as Safe and Sound	98%	98%
<b>A.2.1. Strategy: NON-BANK EXAMINATION</b>	\$ 1,130,824	\$ 1,117,784
Perform examinations based on examination priorities in coordination with state and federal regulatory and law enforcement agencies; monitor examination schedules and results to ensure exams are being performed within examination priority parameters; and coordinate with Legal Division to issue appropriate enforcement actions.		

**DEPARTMENT OF BANKING**  
(Continued)

<b>Output (Volume):</b>		
Number of Special Audit Licensees Examined	690	690
<b>A.3.1. Strategy:</b> APPLICATION PROCESSING	\$ 373,965	\$ 373,839
Enhance current systems through the automation of applications and request processing by the efficient utilization of computer and other technologies. Develop a Bank and Trust Applications Filing and Procedures Guide. Process applications and information.		
<b>Output (Volume):</b>		
Number of Bank and Trust Applications, Notices, Filings and Currency Exchange and Sale of Check New Licensee Applications Completed	350	335
<b>Total, Goal A: EFFECTIVE REGULATION</b>	<u>\$ 8,571,024</u>	<u>\$ 8,557,489</u>

<b>B. Goal:</b> INDIRECT ADMINISTRATION		
<b>B.1.1. Strategy:</b> INDIRECT ADMINISTRATION	\$ 1,679,099	\$ 1,674,412
<b>Grand Total, DEPARTMENT OF BANKING</b>	<u>\$ 10,250,123</u>	<u>\$ 10,231,901</u>

<b>Method of Financing:</b>		
General Revenue Fund	\$ 10,145,123	\$ 10,126,901
Federal Funds	75,000	75,000
Appropriated Receipts	<u>30,000</u>	<u>30,000</u>
<b>Total, Method of Financing</b>	<u>\$ 10,250,123</u>	<u>\$ 10,231,901</u>

<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	\$ 2,061,223	\$ 2,140,517
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<b>Number of Full-Time-Equivalent Positions (FTE):</b>	149.0	149.0
<b>Number of FTEs in Riders:</b>	66.5	66.5

<b>Schedule of Exempt Positions:</b>		
Commissioner, Group 4	\$112,000	\$112,000

<b>Supplemental Appropriations Made in Riders:</b>	\$ 4,355,432	\$ 4,355,432
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1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	<u>2002</u>	<u>2003</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Purchase Computer Equipment	\$ 175,000	\$ 100,000
Total, Capital Budget	<u>\$ 175,000</u>	<u>\$ 100,000</u>



## DEPARTMENT OF BANKING

(Continued)

2. **Appropriation of Receipts.** Funds received by the Department of Banking pursuant to supervision or conservatorship proceedings as authorized under Texas Finance Code, § 35.101-35.113, are hereby appropriated to the department to pay costs incidental to such proceedings, including the salary and per diem expenses of the appointed supervisor or conservator (estimated to be \$5,000 each year).
3. **Contingency Appropriation: State Regulatory Response.**
  - a. Contingent upon a finding of fact by the Finance Commission that the number of exams required for the state-chartered commercial banking industry under the jurisdiction of the Department of Banking, determined either as a function of assets, number of institutions, or relative proportion of problem banks or problem bank assets in the state system, increases to a point where additional appropriations are required to maintain adequate regulation of the industry, the Department of Banking is hereby appropriated out of fee revenues collected by the department an amount not to exceed \$1,673,243 for fiscal year 2002 and \$1,673,243 for fiscal year 2003 and the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than 25.5 for fiscal year 2002 and 25.5 for fiscal year 2003.
  - b. Contingent upon a reduction of federal regulatory resources applied to the Texas state-chartered commercial banking industry, determined as a function of assets, the Department of Banking is hereby appropriated out of fee revenues collected by the department an amount not to exceed \$2,677,189 for fiscal year 2002 and \$2,677,189 for fiscal year 2003 and the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than 41 for fiscal year 2002 and 41 for fiscal year 2003.
  - c. None of the funds appropriated in items 3(a) or 3(b) above may be expended by the Department of Banking unless the Finance Commission files a finding of fact with the Governor's Office of Budget and Planning and the Legislative Budget Board and neither the Governor's Office of Budget and Planning nor the Legislative Budget Board issues a written disapproval within 30 days of the receipt of the finding of fact.
  - d. The appropriations in items 3(a) and 3(b) are also contingent upon the Department of Banking generating sufficient additional fee revenues to cover these contingency appropriations and related employee benefits, and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriation. These increased revenues must exceed \$9,438,107 for fiscal year 2002 and \$9,418,366 for fiscal year 2003 (Object Code 3172) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate.
4. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Department of Banking are made contingent on the continuation of the Office of Banking Commissioner by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.
5. **Federal Per Diem Authorized.** Financial examiners employed by the Department of Banking when (1) traveling on official state business relating to the examination function and (2) participating in either a joint or a concurrent examination with the primary federal regulator may be authorized reimbursement for travel expenses, including mileage, at a rate equal to the primary federal regulator.
6. **Contingent Revenue.** Of the amounts appropriated above to the Department of Banking in Strategy A.1.1, Bank Examination, the amount of \$984,000 in fiscal year 2002 and the amount of

DEPARTMENT OF BANKING  
(Continued)

\$984,000 in fiscal year 2003 and in Strategy A.2.1, Non-bank Examination, the amount of \$216,000 in fiscal year 2002 and \$216,000 in fiscal year 2003 is contingent on the Department of Banking assessing fees sufficient to generate, during the 2002–03 biennium, \$3,078,720 in excess of \$19,791,473 (Object Code 3175 and 3172), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years 2002 and 2003. The Department of Banking, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the commission meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

- 7. **Sharing of Receptionist.** It is the intent of the Legislature that the Department of Banking, Savings and Loan Department, and Office of Consumer Credit Commissioner share one full-time-equivalent position each year of the biennium for the switchboard duties for the Finance Commission Building.
- 8. **Commissioner’s Salary.** Should the Finance Commission not be continued by the Legislature in fiscal year 2002 and fiscal year 2003, the amount specified in the schedule of exempt positions for the salary of the Commissioner, the Department of Banking shall be \$118,427 in fiscal year 2002 and \$118,427 in fiscal year 2003.
- 9. **Relocation Austin Regional Office.** It is the intent of the Seventy-seventh Legislature that the Department of Banking perform a study to provide options of relocating its Austin Regional Office with thirteen full-time-equivalent positions (FTEs) outside Austin to a more cost-effective location and complete a report on the results of the study by January 1, 2003. Based on the report, the Department of Banking shall move its Austin Regional Office and 13 FTEs to the most cost-effective location at the end of the lease term on August 31, 2003.
- 10. **Contingent Transfer.** Should the Finance Commission not be continued by the Legislature in fiscal year 2002 and fiscal year 2003, the appropriations of \$197,970 each fiscal year shall be transferred to the Department of Banking in fiscal year 2002 and in fiscal year 2003.

OFFICE OF CONSUMER CREDIT COMMISSIONER

For the Years Ending	
August 31,	August 31,
2002	2003

Out of the General Revenue Fund:

A. Goal: EFFECTIVE ENFORCEMENT

To ensure prompt, fair, and effective enforcement of appropriate state and federal statutes and regulations so that consumers are protected from abusive and deceptive practices, fraud, and misrepresentation.

Outcome (Results/Impact):

Percent of Written Complaints Resolved within 90 Calendar Days

A.1.1. Strategy: COMPLAINT RESOLUTION Resolve consumer complaints expeditiously and identify problem creditors and industry practices, and advise creditors and industry through information bulletins as a preventive measure.		95%	95%
	\$	175,000	\$ 175,000

OFFICE OF CONSUMER CREDIT COMMISSIONER  
(Continued)

<b>Output (Volume):</b>		
Number of Complaints Closed	5,000	5,000
Number of Field Investigations Initiated	80	80
<b>B. Goal: CONSUMER PROTECTION</b>		
To provide a quality program of consumer protection and licensure that ensures high standards for licensed credit providers and efficiently serves the market demand for fair but competitive consumer credit.		
<b>Outcome (Results/Impact):</b>		
Percentage of Examinations Reporting Acceptable Level of Compliance	95%	95%
Monies Returned to Consumers from Licensed Lenders	500,000	500,000
<b>B.1.1. Strategy: EXAMINATION AND ENFORCEMENT</b>	\$ 1,373,830	\$ 1,373,830
Examine regulated lenders and pawnshops to determine the level of compliance with appropriate statutes and regulations and initiate administrative enforcement action against licensees who commit serious violations.		
<b>Output (Volume):</b>		
Number of Compliance Examinations Performed	2,200	2,300
<b>B.2.1. Strategy: LICENSING INVESTIGATION</b>	\$ 554,169	\$ 554,169
Investigate and process applications for regulated loan, pawnshop, and pawnshop employee licenses. Continue efforts to identify unregistered creditors and achieve compliance with registration requirements.		
<b>Output (Volume):</b>		
Number of Business Applications Processed	850	850
Number of Employee License Applications Processed	2,400	2,500
<b>Total, Goal B: CONSUMER PROTECTION</b>	\$ 1,927,999	\$ 1,927,999
<b>C. Goal: CREDIT EDUCATION</b>		
To educate consumers and credit providers about their rights, remedies and responsibilities, and to encourage communication and cooperation between the credit industry, the consumer public, and the agency.		
<b>Outcome (Results/Impact):</b>		
Percentage of Texans Reached through Public Service Announcements, Press Releases, and Distribution of Pamphlets	12%	12%
<b>C.1.1. Strategy: CONSUMER EDUCATION</b>	\$ 70,000	\$ 70,000
Continue establishment of a formal education program to include public service announcements, press releases, and general information brochures made available through credit grantors and trade organizations.		
<b>Output (Volume):</b>		
Number of Consumers Receiving In-person Services	15,000	15,000
<b>D. Goal: INDIRECT ADMINISTRATION</b>		
<b>D.1.1. Strategy: INDIRECT ADMINISTRATION</b>	\$ 269,499	\$ 269,499
<b>Grand Total, OFFICE OF CONSUMER CREDIT COMMISSIONER</b>	\$ 2,442,498	\$ 2,442,498
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>		
	\$ 579,474	\$ 612,034
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	47.0	47.0

OFFICE OF CONSUMER CREDIT COMMISSIONER  
(Continued)

Schedule of Exempt Positions:

Commissioner, Group 3 \$90,000 \$90,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	<u>2002</u>	<u>2003</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resource Technologies	\$ 45,000	\$ 45,000
Total, Capital Budget	<u>\$ 45,000</u>	<u>\$ 45,000</u>

2. **Appropriation: Criminal Record Check Receipts.** Funds appropriated above in Strategy B.2.1, Licensing Investigation, include receipts collected pursuant to § 14.151, Texas Finance Code, VTCA. Contingent upon certification by the Office of Consumer Credit Commissioner and verification by the Comptroller, all fees collected in excess of \$127,000 each year of the biennium are hereby appropriated to the Office of the Consumer Credit Commissioner. These funds shall be used for the sole purpose of acquiring criminal record checks from the Department of Public Safety, Federal Bureau of Investigation, or other law enforcement agency.
3. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Office of Consumer Credit Commissioner are made contingent on the continuation of the Office of Consumer Credit Commissioner by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.
4. **Relocation of Financial Examiner Position.** It is the intent of the Legislature that the Office of Consumer Credit Commissioner shall relocate one Full-time Equivalent (FTE) financial examiner classified position from the FTEs authorized above to the City of El Paso at the beginning of fiscal year 2002.
5. **Contingent Revenue.** Of the amounts appropriated above to the Office of Consumer Credit Commissioner in Strategy B.1.1, Examination and Enforcement, the amount of \$114,630 in fiscal year 2002 and \$114,630 in fiscal year 2003 is contingent on the Office of Consumer Credit Commissioner assessing fees sufficient to generate, during the 2002–03 biennium, \$294,095 in excess of \$5,738,000 (Object Code 3172, 3174, and 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and fiscal year 2003. The Office of Consumer Credit Commissioner, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium

OFFICE OF CONSUMER CREDIT COMMISSIONER  
(Continued)

under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

6. **Sharing of Receptionist.** It is the intent of the Legislature that the Department of Banking, Savings and Loan Department, and Office of Consumer Credit Commissioner share one full-time-equivalent position each year of the biennium for the switchboard duties for the Finance Commission Building.

SAVINGS AND LOAN DEPARTMENT

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal: SAFETY AND SOUNDNESS</b>		
To aggressively enforce safety and soundness standards in the state chartered thrift industry and compliance with the Texas Finance Code in a manner that is constructive and maintains the interest of depositors, creditors, and borrowers of savings institutions as paramount.		
<b>Outcome (Results/Impact):</b>		
Percent of State-chartered S&Ls and Savings Banks Receiving Examinations as Required by Priority Schedule	100%	100%
Percent of Safe and Sound Institutions to Total S&Ls and Savings Banks	95%	95%
Percentage of Applications Receiving Final Action within Statutory Time Frames	100%	100%
<b>A.1.1. Strategy: EXAMINATION</b>	\$ 527,689	\$ 527,646
Perform full and limited scope examinations and participate with federal regulators in examinations according to the Priority Examination schedule.		
<b>Output (Volume):</b>		
Number of Examinations Performed	25	25
<b>Explanatory:</b>		
Number of State-chartered S&Ls and Savings Banks	34	34
Dollar Amount of Assets under Regulation (in Billions)	14.5	14.6
<b>A.2.1. Strategy: MONITORING</b>	\$ 92,581	\$ 92,738
Identify and investigate areas of unsafe and unsound activity or adverse financial indicators such as declining capital, increasing classified assets, and operating losses. Maintain supervisory profile for each S&L and savings bank; and maintain database of persons who have been the subject of criminal referrals. Review and evaluate reports, correspondence and requests for approval of discretionary matters.		
<b>Efficiencies:</b>		
Average Time (Business Days) to Complete Analysis of Quarterly Financial Data	2	2
<b>A.2.2. Strategy: ENFORCEMENT</b>	\$ 112,899	\$ 112,871
Determine and institute appropriate regulatory responses to resolve supervisory problems in state-chartered institutions, including directives of the Commissioner or informal		

SAVINGS AND LOAN DEPARTMENT  
(Continued)

agreements, and formal enforcement actions such as a cease and desist order or conservatorship. Coordinate regulatory response with federal regulators.		
<b>Output (Volume):</b>		
Number of Formal and Informal Regulatory Actions	2	2
<b>A.3.1. Strategy:</b> APPLICATION PROCESSING	\$ 45,933	\$ 45,919
Process, investigate and evaluate applications for new charters, new branch offices, mergers, acquisitions, and subsidiary investments, including scheduling of hearings, maintaining thrift institution corporate records and application submission and approval logs as required.		
<b>Output (Volume):</b>		
Number of Applications Processed	15	15
<b>Total, Goal A:</b> SAFETY AND SOUNDNESS	\$ 779,102	\$ 779,174
<b>B. Goal:</b> MORTGAGE BROKER LICENSING		
To ensure timely and effective license issuance and renewal for eligible mortgage brokers and loan officers; to oversee and enforce appropriate standards, laws and regulations for licenses.		
<b>B.1.1. Strategy:</b> MORTGAGE BROKER LICENSING	\$ 388,127	\$ 378,127
Process, investigate and evaluate mortgage broker and loan officer license applications; establish continuing education course standards; enforce compliance with standards of conduct.		
<b>Output (Volume):</b>		
Number of New Licenses Issued to Individuals	750	750
<b>C. Goal:</b> CONSUMER RESPONSIVENESS		
To ensure responsiveness to inquiries, requests and complaints from the industry, citizens, public officials, and other state and federal governmental entities.		
<b>Outcome (Results/Impact):</b>		
Percentage of Complaints, Requests and Inquiries Answered within Ten Business Days		
<b>C.1.1. Strategy:</b> COMPLAINT AND INQUIRY PROCESS	\$ 105,756	\$ 90,746
Provide a forum for registering complaints, responding to requests and inquiries and taking appropriate action when warranted. Respond appropriately to requests or inquiries to obtain information regarding financial institutions and mortgage broker licensees giving particular priority to requests from state and federal agencies conducting civil and criminal investigations.		
<b>Output (Volume):</b>		
Number of Consumer Complaints Completed	525	575
<b>D. Goal:</b> INDIRECT ADMINISTRATION		
<b>D.1.1. Strategy:</b> INDIRECT ADMINISTRATION	\$ 136,519	\$ 136,458
<b>Grand Total, SAVINGS AND LOAN DEPARTMENT</b>	<u>\$ 1,409,504</u>	<u>\$ 1,384,505</u>

**SAVINGS AND LOAN DEPARTMENT**  
(Continued)

<b>Method of Financing:</b>		
General Revenue Fund	\$ 1,408,904	\$ 1,383,905
Appropriated Receipts	<u>600</u>	<u>600</u>
<b>Total, Method of Financing</b>	<u><u>\$ 1,409,504</u></u>	<u><u>\$ 1,384,505</u></u>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	\$ 358,050	\$ 378,912
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	22.0	22.0
<b>Number of FTEs in Riders:</b>	10.0	13.0
<b>Schedule of Exempt Positions:</b>		
Commissioner, Group 3	\$92,676	\$92,676
<b>Supplemental Appropriations Made in Riders:</b>	\$ 512,500	\$ 739,100

1. **Appropriation of Receipts.** Funds received by the Texas Savings and Loan Department pursuant to supervision and conservatorship proceedings authorized by Subchapter B, Texas Finance Code, VTCA and Subchapter C, Texas Finance Code, VTCA, are hereby appropriated to the department to pay costs incidental to such proceedings, including the salary and per diem expenses of the appointed supervisory agent.
2. **Federal Per Diem Authorized.** Financial Institutions Examiners employed by the Savings and Loan Department, when (1) traveling on official state business related to the examining function of the Savings and Loan Department and (2) participating in either a joint or concurrent examination with the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, or their successors, shall be authorized reimbursement for travel expenses at a rate of per diem equal to that of the participating federal regulatory agency.
3. **Contingency Appropriation: Regulatory Response.**
  - a. Contingent upon a finding of fact by the Finance Commission that either:
    - (1) the size of the state-chartered thrift industry under the jurisdiction of the Savings and Loan Department, determined either as a function of assets or number of institutions, has grown to a point where additional appropriations are deemed necessary to maintain adequate regulation of the industry; or
    - (2) increased incidents of regulatory and supervisory concern regarding the safe and sound operations of thrift institutions under the department's jurisdiction have occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry; or
    - (3) a reduction of federal regulatory resources applied to the Texas state-chartered thrift industry by the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, Federal Reserve Board, or their successors, has occurred to the extent that additional appropriations are deemed necessary to maintain adequate regulation of the industry;

the following amounts, or any part thereof as found to be necessary by the Finance Commission, are hereby appropriated to the Texas Savings and Loan Department out of fee revenues collected by the department: an amount not to exceed \$512,500 for fiscal year 2002 and an amount not to exceed \$739,100 for fiscal year 2003 and the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by no more than seven for fiscal year 2002 and 10 for fiscal year 2003.

## SAVINGS AND LOAN DEPARTMENT

(Continued)

- b. None of the funds appropriated pursuant to this provision may be expended by the Texas Savings and Loan Department unless:
  - (1) the Finance Commission files a written copy of the finding of fact, referenced in subsection (a) above, with the Governor's Office and the Legislative Budget Board; and
  - (2) neither the Governor's Office nor the Legislative Budget Board issues a written disapproval within 30 days of the receipt of the finding of fact.
  - (3) The appropriations in item 3(a) are also contingent upon the department generating sufficient additional fee revenues to cover these contingency appropriations and related employee benefits and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the increased revenues will be available to fund the increased appropriations. These increased revenues must exceed \$1,146,028 for fiscal year 2002 and \$1,146,326 for fiscal year 2003 (Object Code 3172) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate. The revenue amounts required by this section shall be separate from, and in addition to, the requirements in Section 5 below.
- 4. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Savings and Loan Department are made contingent on the continuation of the Office of Savings and Loan Commissioner and the Savings and Loan Department by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations
- 5. **Contingent Revenue.** Of the amounts appropriated above to the Savings and Loan Department in Strategy A.1.1, Examination, the amount of \$20,568 in fiscal year 2002 and \$20,568 in fiscal year 2003, in Strategy B.1.1, Mortgage Broker Licensing, the amount of \$51,000 in fiscal year 2002 and \$41,000 in fiscal year 2003 and in Strategy C.1.1, Complaint and Inquiry Process, the amount of \$76,500 in fiscal year 2002 and \$61,500 in fiscal year 2003 is contingent on the Savings and Loan Department assessing fees sufficient to generate, during the 2002–03 biennium, \$326,886 in excess of \$3,325,354 (Object Codes 3175 and 3172), contained in the Comptroller of Public Accounts' Biennial revenue Estimate for fiscal years 2002 and 2003. Also contingent on the Savings and Loan Department meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by three in fiscal year 2002 and three in fiscal year 2003. The Savings and Loan Department, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the commission meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.
- 6. **Sharing of Receptionist.** It is the intent of the Legislature that the Department of Banking, Savings and Loan Department, and Office of Consumer Credit Commissioner share one full-time-equivalent position each year of the biennium for the switchboard duties for the Finance Commission Building.



FUNERAL SERVICE COMMISSION

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal: COMPETENT LICENSEES</b>		
To manage a program of examination and licensure that ensures the development of competent funeral professionals with high standards of professional and ethical conduct.		
<b>Outcome (Results/Impact):</b>		
Percent of Licensees with No Recent Violations	96%	96%
Percent of Applications and Renewals Processed within Three Working Days	75%	75%
<b>A.1.1. Strategy:</b> LICENSING REQUIREMENTS	\$ 255,912	\$ 143,515
Issue and renew licenses, manage a provisional licensing program and monitor continuing education requirements.		
<b>Output (Volume):</b>		
Number of New Licenses Issued to Individuals	318	350
Number of Individual Licenses Renewed	2,578	2,836
Number of New Licenses Issued to Facilities	1,352	1,352
Number of Facility Licenses Renewed	1,342	1,343
Number of Individuals Examined	297	297
<b>Efficiencies:</b>		
Average Licensing Cost Per Individual License Issued	34.28	34.28
Average Licensing Cost Per Facility License Issued	23.66	23.08
Average Cost Per Exam Administered	39.38	38.14
<b>Explanatory:</b>		
Total Number of Individuals Licensed	318	350
Total Number of Facilities Licensed	1,352	1,352
<b>B. Goal: ENFORCE STANDARDS</b>		
To aggressively and effectively provide enforcement and protect the public from incompetent services and unethical conduct.		
<b>Outcome (Results/Impact):</b>		
Percent of Complaints Resolved within Six Months	75%	75%
Percent of Complaints Resulting in Disciplinary Action	9%	9%
<b>B.1.1. Strategy:</b> INSPECTIONS	\$ 368,745	\$ 257,224
To provide enforcement through a vigorous program of inspections and investigations.		
<b>Output (Volume):</b>		
Number of Complaints Resolved	183	187
Number of Establishments Inspected	1,334	1,335
Number of Complaints Pending	12	12
<b>Efficiencies:</b>		
Average Time for Complaint Resolution	242	242
Average Cost Per Complaint Resolved	374.88	367.86
<b>Explanatory:</b>		
Number of Jurisdictional Complaints Received	240	240
<b>B.2.1. Strategy:</b> RULE COMPLIANCE	\$ 242,784	\$ 131,388
Review investigated complaints and recommend disciplinary or other action.		
<b>Output (Volume):</b>		
Number of Licenses Revoked or Suspended (Individuals)	2	2
Number of Licenses Revoked or Suspended (Establishments)	6	6
<b>Total, Goal B: ENFORCE STANDARDS</b>	<u>\$ 611,529</u>	<u>\$ 388,612</u>
<b>Grand Total, FUNERAL SERVICE COMMISSION</b>	<u><u>\$ 867,441</u></u>	<u><u>\$ 532,127</u></u>

FUNERAL SERVICE COMMISSION  
(Continued)

<b>Method of Financing:</b>		
General Revenue Fund	\$ 862,441	\$ 527,127
Appropriated Receipts	<u>5,000</u>	<u>5,000</u>
<b>Total, Method of Financing</b>	<u><u>\$ 867,441</u></u>	<u><u>\$ 532,127</u></u>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>		
	\$ 113,759	\$ 120,405
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	10.0	10.0
<b>Schedule of Exempt Positions:</b>		
Executive Director	\$43,680	\$43,680
Per Diem of Board Members	3,850	3,850

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

	<u>2002</u>	<u>2003</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Licensing System Software	\$ 240,200	\$ 0
Total, Capital Budget	<u><u>\$ 240,200</u></u>	<u><u>\$ 0</u></u>

2. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the Texas Funeral Service Commission are made contingent on the continuation of the Texas Funeral Service Commission by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.
3. **Contingent Revenue.** Of the amounts appropriated above to the Funeral Service Commission in Strategy A.1.1, Licensing Requirements, the amount of \$117,672 in fiscal year 2002 and \$7,400 in fiscal year 2003 and in Strategy B.1.1, Inspections, the amount of \$117,673 in fiscal year 2002 and \$7,400 in fiscal year 2003 and in Strategy B.2.1, Rule Compliance, the amount of \$117,672 in fiscal year 2002 and \$7,400 in fiscal year 2003 is contingent on the Funeral Service Commission assessing fees sufficient to generate, during the 2002–03 biennium, \$375,217 in excess of \$1,747,000, (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Funeral Service Commission, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Funeral Service Commission's minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

DEPARTMENT OF INSURANCE

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal: ENCOURAGE FAIR COMPETITION</b>		
Encourage fair competition in the insurance industry.		
<b>Outcome (Results/Impact):</b>		
Percent of Agent License Filings Completed within 15 Days	92%	92%
Percent of Statutory Rate and Form Filings Completed within 90 Days	80%	80%
Number of Automobiles Covered by Voluntary Policies as a Percent of Total Private Passenger Automobiles in Underserved Markets	69%	69%
Percent of Market Assistance Program Applications Eligible for Referral Resulting in the Issuance of a Residential Property Insurance Policy	50%	50%
<b>A.1.1. Strategy:</b> PROMOTE COMPETITION	\$ 11,616,700	\$ 11,616,700
Collect and analyze market data, provide information to consumers and industry, and process rates, forms and other required filings.		
<b>Output (Volume):</b>		
Number of Inquiries Answered	350,000	350,000
Number of Rate Guides Distributed	600,000	600,000
Number of Life/Health Insurance Filings Completed	24,500	24,500
Number of HMO Form Filings Completed	2,900	2,900
<b>Explanatory:</b>		
Total Number of Licensed Agents	200,000	200,000
Number of Licensed HMOs	65	65
<b>A.1.2. Strategy:</b> PROMOTE UNDERSERVED COVERAGE	\$ 355,738	\$ 355,738
Identify underserved markets and create incentives and implement requirements for insurers to write in underserved markets.		
<b>Explanatory:</b>		
Total Number of Market Assistance Program Applications Eligible for Referral	90	90
<b>A.2.1. Strategy:</b> INVESTIGATION/ENFORCEMENT	\$ 5,445,447	\$ 5,445,447
Respond promptly to complaints against insurers, agents, and other regulated entities; assist consumers in recovering valid claims; investigate apparent patterns of unlawful or questionable trade practices in the insurance industry; and bring enforcement actions as appropriate.		
<b>Output (Volume):</b>		
Number of Complaints Resolved	29,000	30,000
Dollar Amount Returned to Consumers through Complaint Resolution	30,000,000	31,000,000
Number of Contested Cases Closed	120	120
<b>Efficiencies:</b>		
Average Response Time (in Days) to Complaints	38	38
<b>A.2.2. Strategy:</b> INSURER FRAUD	\$ 1,073,836	\$ 1,073,836
Investigate potential insurer fraud and initiate legal action when appropriate.		
<b>Output (Volume):</b>		
Number of Referrals of Alleged Insurer Fraud to Attorney General, District Attorney, or Other Appropriate Agency or Law Enforcement Authority	70	70
<b>Total, Goal A: ENCOURAGE FAIR COMPETITION</b>	<b>\$ 18,491,721</b>	<b>\$ 18,491,721</b>

DEPARTMENT OF INSURANCE  
(Continued)

**B. Goal:** INSURANCE INDUSTRY FINANCIAL HEALTH  
Encourage the financial health of the insurance industry through monitoring and regulation.

**Outcome (Results/Impact):**

Percent of Statutorily Mandated On-site Examinations Conducted During the Fiscal Year	100%	100%
Special Deputy Receiver Receivership Asset Recovery Expenses as a Percent of the Total Dollars Collected by Special Deputy Receivers	30%	30%
Average Number of Days from Company “At Risk” Identification to the Date of Solvency-related Regulatory Action	42	42
Percent of Companies Rehabilitated after Texas Department of Insurance Solvency-related Intervention	18%	18%
<b>B.1.1. Strategy:</b> INSURERS FINANCIAL CONDITION Analyze the financial condition of insurers, identify weak companies, and rehabilitate, liquidate or take other action against financially weak companies.	\$ 12,871,119	\$ 12,871,119

**Output (Volume):**

Number of Entities Receiving Texas Department of Insurance Solvency-related Intervention	19	19
Number of Holding Company Transactions Reviewed	750	750
Number of Actuarial Examinations Completed	80	80
Number of On-site Examinations Conducted	175	175

**Efficiencies:**

Average State Cost Per Examination	26,500	26,500
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**Explanatory:**

Dollar Amount (in Millions) of Insurance Company Insolvencies	3.5	3.5
Number of Estates Placed in Receivership	3	3

**C. Goal:** DECREASE INDUSTRY LOSS COSTS  
Decrease insurance industry loss costs.

**Outcome (Results/Impact):**

Percent of Fire Inspections That Meet Inspection Requirements	85%	85%
Percent of Windstorm Inspections That Result in an “Approved” Status Code	40%	40%
<b>C.1.1. Strategy:</b> LOSS CONTROL PROGRAMS Inspect insurance loss control programs offered to policy holders, and assure compliance with filed property schedules and windstorm construction codes.	\$ 2,859,199	\$ 2,859,199

**Output (Volume):**

Number of Windstorm Inspections Completed	18,000	18,000
Number of Inspections of Insurer Loss Control Programs Completed	255	255
Number of Fire Safety Oversight Inspections Completed	1,200	1,200

**Efficiencies:**

Average Cost Per Windstorm Inspection	45	45
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<b>C.1.2. Strategy:</b> PROVIDER/CONSUMER FRAUD Investigate possible provider fraud and consumer fraud and refer violations for prosecution when appropriate.	\$ 1,074,318	\$ 1,074,318
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**Output (Volume):**

Number of Referrals of Alleged Consumer and Provider Fraud to Attorney General, District Attorney, or Other Appropriate Agency or Law Enforcement Authority	110	110
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<b>Total, Goal C:</b> DECREASE INDUSTRY LOSS COSTS	\$ 3,933,517	\$ 3,933,517
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DEPARTMENT OF INSURANCE  
(Continued)

<b>D. Goal: REDUCE LOSSES DUE TO FIRE</b>		
Reduce loss of life and property due to fire.		
<b>Outcome (Results/Impact):</b>		
Percent of Referred State Fire Marshal's Office Criminal Investigations Resulting in Enforcement/Legal Action	60%	60%
Percent of Registrations, Licenses, and Permits Issued, after Receipt of a Completed Application, within 20 Days to Fire Alarm, Fire Extinguisher, Fire Sprinkler, and Fireworks Firms, Individuals, and Other Regulated Entities	97%	97%
<b>D.1.1. Strategy:</b> FIRE PROTECTION	\$ 3,609,061	\$ 3,609,061
Provide fire prevention and fire safety presentations, and enforce regulations related to fire safety through investigation, analysis of evidence, inspection of property, and licensing of the fire protection and fireworks industry.		
<b>Output (Volume):</b>		
Number of Fire Investigations Completed	400	400
Number of Registrations, Licenses, and Permits Issued to Fire Alarm, Fire Extinguisher, Fire Sprinkler and Fireworks Firms, Individuals, and Other Regulated Entities	9,820	9,550
<b>E. Goal: INDIRECT ADMINISTRATION</b>		
<b>E.1.1. Strategy:</b> CENTRAL ADMINISTRATION	\$ 4,297,163	\$ 4,297,163
<b>E.1.2. Strategy:</b> INFORMATION RESOURCES	\$ 4,293,954	\$ 4,293,954
<b>E.1.3. Strategy:</b> OTHER SUPPORT SERVICES	\$ 1,749,737	\$ 1,749,737
<b>Total, Goal E: INDIRECT ADMINISTRATION</b>	<u>\$ 10,340,854</u>	<u>\$ 10,340,854</u>
<b>Grand Total, DEPARTMENT OF INSURANCE</b>	<u><u>\$ 49,246,272</u></u>	<u><u>\$ 49,246,272</u></u>
<b>Method of Financing:</b>		
General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees, estimated	\$ 30,483,799	\$ 32,414,530
GR Dedicated - Texas Department of Insurance Operating Fund Account No. 036, estimated	18,275,659	16,344,928
Appropriated Receipts	379,431	379,431
Interagency Contracts	<u>107,383</u>	<u>107,383</u>
<b>Total, Method of Financing</b>	<u><u>\$ 49,246,272</u></u>	<u><u>\$ 49,246,272</u></u>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	\$ 16,873,595	\$ 17,520,358
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	1,020.5	1,020.5
<b>Schedule of Exempt Positions:</b>		
Commissioner of Insurance, Group 6	\$157,500	\$157,500
1. <b>Capital Budget.</b> None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the		

DEPARTMENT OF INSURANCE  
(Continued)

Legislative Budget Board, capital budgeted funds listed below under “Acquisition of Information Resource Technologies” may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the state of Texas.

	<u>2002</u>	<u>2003</u>
Out of the combined appropriation authority from the General Revenue Fund, which includes Insurance Companies Maintenance Tax (Object Code 3203), Insurance Department Fees (Object Code 3215), and General Revenue Fund–Dedicated - Texas Department of Insurance Operating Fund Account No. 036:		
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resource Technologies	\$ 1,114,193	\$ 1,114,193
b. Transportation Items		
(1) Acquisition of Transportation Items	\$ 92,528	\$ 92,528
Total, Capital Budget	<u>\$ 1,206,721</u>	<u>\$ 1,206,721</u>

2. **Appropriation Source, Rehabilitation of Insurance Companies.** Of the amounts appropriated above, \$125,000 each year of the biennium is from fees that the Department of Insurance shall collect from companies that are successfully rehabilitated by the Department. Fees collected and appropriated above shall be in amounts sufficient to cover, yet not exceed, costs of rehabilitating those companies. Any such fees collected in excess of \$125,000 each year of the biennium are also hereby appropriated for the biennium beginning September 1, 2001, for the sole purpose of the rehabilitation of other insurance companies pursuant to § 17(a) of Article 21.28A of the Texas Insurance Code.
3. **NAIC Company Database.** Funds appropriated above include \$2,550,000 for the biennium from the combined appropriation authority from the General Revenue Fund, which includes Insurance Companies Maintenance Tax (Object Code 3203), Insurance Department Fees (Object Code 3215), and General Revenue Fund-Dedicated for payment of company fees to the National Association of Insurance Commissioners for NAIC use of insurance company statistical reports in the NAIC national database. Such payments are necessary under provisions of the Insurance Code, Article 1.11(b), and directly support availability of the NAIC database to the agency for monitoring financial solvency of insurance companies licensed in the State of Texas.
4. **State Support for NAIC Activities.** The agency is prohibited from using resources in support of the National Association of Insurance Commissioners in the absence of NAIC accreditation of the Texas Department of Insurance for compliance with NAIC Financial Regulation Standards. The prohibition would be effective immediately upon loss of accreditation. The only exceptions to this prohibition shall be limited to expenditures necessary for (1) continued Departmental use of the NAIC database for monitoring financial solvency of companies doing business in Texas; (2) solvency-related training; and (3) efforts to regain accreditation. The prohibition on using resources does not apply in the event that the commissioner voluntarily determines not to participate in the state insurance department accreditation program.

## DEPARTMENT OF INSURANCE

(Continued)

5. **Liquidation Oversight and Title Examiner Full-Time Equivalent Positions.** In addition to the full-time equivalent positions authorized above, an additional 32.5 full-time equivalent positions are authorized for each year of the 2002–03 biennium to support liquidation oversight and title examiner activities. These positions are excluded from the FTE cap.
6. **Appropriations Limited to Revenue Collections.** The application of special provisions limiting appropriations to revenue collections elsewhere in this Article shall be consistent with relevant statutory provisions governing the agency’s assessment of tax rates and fees. As provided by the Texas Insurance Code, the commissioner shall take into account unexpended funds in the preceding year when adjusting rates of assessment necessary to pay all expenses of regulating insurance and conducting the operations of the State Fire Marshal during the succeeding year.
7. **Reimbursement of Advisory Committee Members.** Pursuant to VTCA, Government Code § 2110.004 and out of funds appropriated above, reimbursement of advisory committee members from funds appropriated to the Texas Department of Insurance is limited to the following: Windstorm Building Code Advisory Committee, HMO Solvency Surveillance Committee, Executive Committee for Market Assistance Program (MAP), Utilization Review Advisory Committee, Fire Alarm Advisory Committee, Fire Sprinkler Advisory Committee, Fire Extinguisher Advisory Committee, and Fireworks Advisory Committee.
8. **Travel Cap.** Out of the funds appropriated above, expenditures for out-of-state travel by the Texas Department of Insurance are limited to \$652,773 in fiscal year 2002 and \$639,064 in fiscal year 2003. Of these amounts, \$525,530 in fiscal year 2002 and \$511,821 in fiscal year 2003 shall be utilized solely for out-of-state travel for the purpose of financial examinations.
9. **Limit on Estimated Appropriations.** The combined appropriation authority from the General Revenue Fund, which includes Insurance Companies Maintenance Tax (Object Code 3203), Insurance Department Fees (Object Code 3215), and General Revenue Fund–Dedicated–Texas Department of Insurance Operating Fund Account No. Fund 36 shall not exceed \$48,759,458 for each year of the 2002–03 biennium.
10. **State Support for NCOIL Activities.** Funds appropriated above include funds from the General Revenue - Insurance Companies Maintenance Tax, Insurance Department Fees and General Revenue Fund–Dedicated for payment of state dues for the National Conference of Insurance Legislators.
11. **Contingent Revenue.** Of the amounts appropriated above to the Department of Insurance in Strategy B.1.1, Insurers Financial Condition, the amount of \$634,898 in fiscal year 2002 and the amount of \$634,898 in fiscal year 2003 is contingent on the Department of Insurance assessing fees sufficient to generate, during the 2002–03 biennium, \$1,628,896 in excess of \$79,971,000 (Object Code 3203 and 3215) contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years 2002 and 2003. The Department of Insurance upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

OFFICE OF PUBLIC INSURANCE COUNSEL

	For the Years Ending	
	August 31, 2002	August 31, 2003
Out of the General Revenue Fund:		
A. Goal: ADVOCATE FOR INSURANCE CONSUMERS		
To advocate positions advantageous to Texas consumers forcefully and effectively in rate hearings, rulemaking, court proceedings, and other public forums involving insurance matters.		
Outcome (Results/Impact):		
Percentage of Analyzed Rate and Rulemaking Proceedings in Which OPIC Participated	60%	60%
Savings to Consumers as a Result of Rate Hearings Participation (in Millions)	950	950
Percentage of Rate Filings and Rules Changed for the Benefit of Consumers as a Result of OPIC Participation	70%	70%
A.1.1. Strategy: PARTICIPATE IN RATE/RULE HEARINGS	\$ 857,962	\$ 857,962
Actively participate in industry-wide rate hearings, analyzed rate filings, and rulemaking proceedings on behalf of Texas insurance consumers by using expert witnesses, providing staff and consumer testimony, and relying on staff research and staff attorneys.		
Output (Volume):		
Number of Industry-wide Rate Hearings in Which OPIC Participated	5	5
Number of Analyzed Rate Filings in Which OPIC Participated	10	10
Number of Rulemaking Proceedings in Which OPIC Participated	30	30
A.2.1. Strategy: INFORMATION AND RESEARCH	\$ 97,359	\$ 97,359
Provide information and research assistance to the Legislature and Executive Branch, including results of ad hoc special research or analytical projects for current issues.		
Participate in judicial proceedings.		
Output (Volume):		
Number of Judicial Proceeding (Appellate and Otherwise) In Which OPIC Participated as a Party of Record	2	2
Total, Goal A: ADVOCATE FOR INSURANCE CONSUMERS	\$ 955,321	\$ 955,321
B. Goal: INCREASE CONSUMER CHOICE		
To increase effective consumer choice by educating Texas insurance consumers about their rights and responsibilities and about the operation of Texas insurance markets, and to obtain market information which results in rate, rule, or legislative proposals benefiting Texas insurance consumers.		
Outcome (Results/Impact):		
Percent of Texas Insurance Consumers Reached by OPIC Outreach Efforts	25%	25%
B.1.1. Strategy: INSURANCE INFORMATION	\$ 243,105	\$ 243,105
To contact Texas consumers to obtain market information and to provide consumers with information needed in order to make informed choices by conducting issue research, producing informational materials, and making public presentations, and formulating and revising consumer bills of rights.		



OFFICE OF PUBLIC INSURANCE COUNSEL  
(Continued)

<b>Output (Volume):</b>		
Number of Newsletters and Report Cards Produced and Distributed	70,000	70,000
Number of Releases Produced and Interviews Given and Newspaper Op-ed Columns Produced	38	38
<b>Grand Total, OFFICE OF PUBLIC INSURANCE COUNSEL</b>	<b><u>\$ 1,198,426</u></b>	<b><u>\$ 1,198,426</u></b>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	<b>\$ 326,147</b>	<b>\$ 333,742</b>
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	<b>18.0</b>	<b>18.0</b>
<b>Schedule of Exempt Positions:</b>		
Public Counsel, Group 2	\$82,500	\$82,500

BOARD OF PROFESSIONAL LAND SURVEYING

	For the Years Ending	
	August 31, <u>2002</u>	August 31, <u>2003</u>
<b>Out of the General Revenue Fund:</b>		
<b>A. Goal: LICENSING &amp; ENFORCEMENT</b>		
To ensure that the residents of Texas will be able to obtain competent and accurate surveys prepared by qualified surveyors capable of meeting or exceeding the Professional and Technical Standards of Practice for surveying in Texas.		
<b>Outcome (Results/Impact):</b>		
Percent of Licensees with No Recent Violations	98%	98%
Percent of Documented Complaints Resolved within Six Months	80%	80%
<b>A.1.1. Strategy: LICENSING AND EDUCATION</b>	<b>\$ 349,231</b>	<b>\$ 349,231</b>
The board will examine applicants and regulate practicing surveyors, licensing only competent surveyors who must maintain competency through the completion of continuing education courses.		
<b>Output (Volume):</b>		
Number of New Licenses Issued to Individuals	40	40
Number of Licenses Renewed (Individuals)	2,863	2,863
Complaints Resolved	40	40
<b>Efficiencies:</b>		
Average Licensing Cost Per Individual License Issued	6.5	6.5
Median Time for Complaint Resolution	125	125
<b>A.1.2. Strategy: EXAMINATION</b>	<b><u>\$ 11,900</u></b>	<b><u>\$ 8,400</u></b>
Purchase and grade the National Exam. (estimated and nontransferable).		
<b>Output (Volume):</b>		
Individuals Examined (National Exam)	140	140
<b>Total, Goal A: LICENSING &amp; ENFORCEMENT</b>	<b><u>\$ 361,131</u></b>	<b><u>\$ 357,631</u></b>
<b>Grand Total, BOARD OF PROFESSIONAL LAND SURVEYING</b>	<b><u>\$ 361,131</u></b>	<b><u>\$ 357,631</u></b>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	<b>\$ 66,537</b>	<b>\$ 69,982</b>

BOARD OF PROFESSIONAL LAND SURVEYING  
(Continued)

Number of Full-Time-Equivalent Positions (FTE):	4.0	4.0
Number of FTEs in Riders:	1.0	1.0
Schedule of Exempt Positions:		
Executive Director, Group 1	\$47,000	\$47,000
Per Diem of Board Members	6,460	6,460

1. **Fee Rates.** To provide for the recovery of costs for the preceding appropriations, the following fee rates shall be in effect for fiscal years 2002 and 2003, pursuant to the provisions of VTCA, Government Code § 316.043 :
- a. Certificate Renewal:
- |                                       |  |
|---------------------------------------|--|
| (1) Registered Professional Surveyors | Not less than \$130.00 or more than \$153.00 |
| (2) Licensed State Land Surveyors     | \$ 35.00                                     |
- b. Examination Fee:
- |                                       |          |
|---------------------------------------|----------|
| (1) Registered Professional Surveyors | \$125.00 |
|---------------------------------------|----------|
2. **Contingent Revenue.** Of the amounts appropriated above to the Board of Professional Land Surveying in Strategy A.1.1, Licensing and Education, the amount of \$35,510 in fiscal year 2002 and \$35,510 in fiscal year 2003 for the purpose of hiring an investigator and in Strategy A.1.2, Examination, the amount of \$3,500 in fiscal year 2002 for the purpose of purchasing an optical reader is contingent on the Board of Professional Land Surveying assessing fees sufficient to generate, during the 2002–03 biennium, \$90,096 in excess of \$842,000 (Object Code 3175), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years 2002 and 2003. Also contingent on the Board of Professional Land Surveying meeting the above revenue target, the “Number of Full-time Equivalent Positions (FTE)” figure indicated above is hereby increased by one in fiscal year 2002 and one in fiscal year 2003. The Board of Professional Land Surveying, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Professional Land Surveying’s minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

DEPARTMENT OF LICENSING AND REGULATION

		For the Years Ending	
		August 31, 2002	August 31, 2003
<b>A. Goal:</b> LICENSING			
To effectively serve the public by licensing, certifying, and registering qualified individuals and businesses, and provide information concerning the regulated industries.			
<b>Outcome (Results/Impact):</b>			
Percent of Licensees with No Recent Violations		98%	98%
<b>A.1.1. Strategy:</b> LICENSE/REGISTER/CERTIFY	\$	834,219	\$ 743,219
Issue licenses, registrations, and certificates to qualified applicants.			
<b>Output (Volume):</b>			
Number of New Licenses Issued to Individuals		2,900	2,950
Number of Licenses Renewed (Individuals)		7,726	7,672

DEPARTMENT OF LICENSING AND REGULATION  
(Continued)

<b>Efficiencies:</b>		
Average Licensing Cost Per Individual License Issued	20	20
<b>Explanatory:</b>		
Total Number of Individuals Licensed	29,500	30,000
Total Number of Business Facilities Licensed	101,000	108,500
<b>A.1.2. Strategy:</b> EXAMINATIONS	\$ 151,149	\$ 151,149
Administer exams to applicants.		
<b>A.1.3. Strategy:</b> DISTRIBUTE INFORMATION	\$ 88,329	\$ 88,329
Develop and distribute information about regulated industries.		
<b>Total, Goal A:</b> LICENSING	\$ 1,073,697	\$ 982,697
<b>B. Goal:</b> ENFORCEMENT		
To protect the public by enforcing laws administered by the agency.		
<b>Outcome (Results/Impact):</b>		
Percent of Documented Complaints Resolved within Six Months	85%	85%
Percent of Building Architectural Barrier Inspections Completed within Statutory Time Limits	65%	75%
Percent of Architectural Barrier Building Plan Reviews Completed within Thirty Days	89%	91%
Inspection Coverage Rate	91%	93%
Percentage of Boilers Inspected for Certification within Appropriate Timelines	68%	68%
<b>B.1.1. Strategy:</b> CONDUCT INSPECTIONS	\$ 3,225,095	\$ 2,836,822
To enforce laws by conducting routine, complex, and special inspections.		
<b>Output (Volume):</b>		
Total Number of Architectural Barrier Inspections Completed by Agency and Third Party Inspectors	8,800	8,800
Total Number of Architectural Barrier Building Plans Reviewed by Agency and Third Party Plan Reviewers	11,530	11,460
<b>Efficiencies:</b>		
Average Number of Months to Complete Architectural Barrier Inspections by Agency Staff	16	14
Average Number of Days to Complete Architectural Barrier Building Plan Reviews by Agency Staff	25	25
<b>B.1.2. Strategy:</b> RESOLVE COMPLAINTS	\$ 1,550,887	\$ 1,390,685
To enforce compliance through timely case settlements and prosecutions, administrative penalties, and sanctions.		
<b>Output (Volume):</b>		
Number of Complaints Resolved	2,800	2,850
<b>Efficiencies:</b>		
Average Time for Consumer Complaint Resolution	120	115
<b>Explanatory:</b>		
Number of Jurisdictional Complaints Received	3,280	3,300
<b>Total, Goal B:</b> ENFORCEMENT	\$ 4,775,982	\$ 4,227,507
<b>C. Goal:</b> INDIRECT ADMINISTRATION		
<b>C.1.1. Strategy:</b> CENTRAL ADMINISTRATION	\$ 732,174	\$ 732,174
<b>C.1.2. Strategy:</b> INFORMATION RESOURCES	\$ 502,300	\$ 502,300
<b>C.1.3. Strategy:</b> OTHER SUPPORT SERVICES	\$ 111,948	\$ 111,948
<b>Total, Goal C:</b> INDIRECT ADMINISTRATION	\$ 1,346,422	\$ 1,346,422
<b>Grand Total,</b> DEPARTMENT OF LICENSING AND REGULATION	\$ 7,196,101	\$ 6,556,626
<b>Method of Financing:</b>		
General Revenue Fund	\$ 7,084,139	\$ 6,445,664
Appropriated Receipts	61,253	60,253

DEPARTMENT OF LICENSING AND REGULATION  
(Continued)

Interagency Contracts	25,709	25,709
Auctioneer Education and Recovery Trust Fund No. 898	<u>25,000</u>	<u>25,000</u>
<b>Total, Method of Financing</b>	<u><u>\$ 7,196,101</u></u>	<u><u>\$ 6,556,626</u></u>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	\$ 2,258,744	\$ 2,347,852
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	144.5	144.5
<b>Number of FTEs in Riders:</b>	1.0	1.0
<b>Schedule of Exempt Positions:</b>		
Commissioner, Group 3	\$76,000	\$76,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	<u>2002</u>	<u>2003</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resource Technologies	136,400	132,600
(2) Licensing System	<u>\$ 600,000</u>	<u>\$ 0</u>
Total, Acquisition of Information Resource Technologies	<u>\$ 736,400</u>	<u>\$ 132,600</u>
Total, Capital Budget	<u><u>\$ 736,400</u></u>	<u><u>\$ 132,600</u></u>

2. **Appropriation: Travel Expenses and Fee Reimbursements.** Funds appropriated above include reimbursements for travel expenses and special inspection fees collected pursuant to VTCA, Health and Safety Code, Chapter 755.030, Boilers Fees. Contingent upon certification by the Department of Licensing and Regulation and verification by the Comptroller, all fees collected in excess of \$181,000 each year of the biennium are hereby appropriated to the Texas Department of Licensing and Regulation.
3. **Auctioneer Education and Recovery.** Funds appropriated above include all revenue deposited to the Auctioneer Education and Recovery Fund for the purpose and in the amounts specified in Subchapter D, § 1802.151, Occupations Code, not to exceed \$25,000 in each fiscal year from the interest on the fund.
4. **Elimination of Architectural Barriers.** Out of the General Revenue appropriated above, \$2,531,640 for each year of the biennium, is appropriated from fees collected pursuant to VTCS, Article 9102 for the purposes of administering and enforcing the Architectural Barrier Act, and any fees collected above those annual amounts are hereby appropriated to the Department of Licensing and Regulation for the same purpose.

## DEPARTMENT OF LICENSING AND REGULATION

(Continued)

5. **Reimbursement of Advisory Committee Members.** Pursuant to VTCA, Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees: Industrialized Housing and Building Code Council, Water Well Drillers Advisory Council, Architectural Barriers Advisory Committee, Air Conditioning and Refrigeration Contractors Advisory Board, Board of Boiler Rules, Elevator Advisory Board, Property Tax Consultants Advisory Council.
6. **Elevators, Escalators, and Related Equipment.** Out of the General Revenue appropriated above, \$558,155 for each year of the biennium, is appropriated from fees collected pursuant to VTCA, Health and Safety Code, Chapter 754, Subchapter B for the purposes of administering and enforcing the Elevators, Escalators and Related Equipment Act, and any fees collected above those annual amounts are hereby appropriated to the Department of Licensing and Regulation for the same purpose.
7. **Reciprocity Agreements.** It is the intent of the Legislature that the Department of Licensing and Regulation initiate and enter into reciprocity agreements with other states for the purpose of performing industrialized housing inspections in order to minimize the need for the agency sending state employees out of state to perform such inspections. The department may enter into contracts with out-of-state inspectors to conduct such inspections.
8. **Elimination of Architectural Barriers: Reduce Duplicate Inspections.** None of the funds appropriated by this Act shall be expended for the purpose of conducting inspections and plan reviews within the corporate boundaries of a municipality which has applied with the department to perform review and inspection functions pursuant to the Elimination of Architectural Barriers Act, Article 9102, § 5(f), VTCS.
9. **Architectural Barrier Standards: Exemption.** None of the funds appropriated by this Act shall be expended for the purpose of enforcing the accessibility standards under the Elimination of Architectural Barriers program, Article 9102, VTCS, with respect to a structure or facility used primarily for religious rituals within a building or facility of a religious organization and which is exempt from the application of Article 9102, VTCS, pursuant to Section 2(g) of that article.
10. **Electronic Examinations.** It is the intent of the Legislature that the Texas Department of Licensing and Regulation identify programs for which the required examinations could be offered in an electronic medium, and that the agency develop and implement electronic examinations for these programs.
11. **Contingent Revenue.** Of the amounts appropriated above to the Department of Licensing and Regulation in Strategy A.1.1, License/Register/Certify, the amount of \$90,000 in fiscal year 2002 and for the purpose of hiring an additional boiler inspector in Strategy B.1.1, Conduct Inspections of \$416,568 in fiscal year 2002 and \$49,096 in fiscal year 2003 and in Strategy B.1.2, Resolve Complaints, the amount of \$150,000 in fiscal year 2002 is contingent on the Department of Licensing and Regulation assessing fees sufficient to generate, during the 2002–03 biennium, \$723,385 in excess of \$17,063,280 (Object Code 3164, 3175, 3147, 3160, 3727, and 3366), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. Also contingent on the Department of Licensing and Regulation meeting the above revenue target, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by one in fiscal year 2002 and one in fiscal year 2003. The Department of Licensing and Regulation, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

**DEPARTMENT OF LICENSING AND REGULATION**  
(Continued)

12. **Licensing System.** The funds authorized for the Acquisition of Licensing System in the Capital Budget Rider shall only be used to acquire a licensing system and cannot be transferred to any other capital budget project. Those funds not used to acquire the licensing system shall be lapsed.

BOARD OF MEDICAL EXAMINERS

	For the Years Ending	
	August 31,	August 31,
	2002	2003
<b>A. Goal: LICENSURE</b>		
Protect the public by licensing qualified practitioners, and non-profit entities, by determining eligibility for licensure through credential verification or renewal, and by collecting information on professionals regulated by the Texas State Board of Medical Examiners, the Texas State Board of Acupuncture Examiners, and the Texas State Board of Physician Assistant Examiners.		
<b>Outcome (Results/Impact):</b>		
Percent of Licensees with No Recent Violations (Physician)	99%	99%
<b>A.1.1. Strategy: LICENSING</b>	\$ 1,585,342	\$ 1,581,942
Conduct a timely, efficient, and cost-effective licensure issuance and renewal process by which credentials are verified and applications are reviewed.		
<b>Output (Volume):</b>		
Number of New Licenses Issued to Individuals (Physicians)	3,983	4,227
Number of New Licenses Issued to Individuals (Acupuncture)	20	20
Number of New Licenses Issued to Individuals (Physician Assistant)	200	190
Number of Licenses Renewed (Individuals) (Physicians)	54,945	55,457
Number of Licenses Renewed (Individuals) (Acupuncture)	325	325
Number of Licenses Renewed (Individuals) (Physician Assistant)	2,200	2,250
<b>Efficiencies:</b>		
Average Licensing Cost Per Individual License Issued (Physician)	15.59	15.43
Average Licensing Cost Per Individual License Issued (Acupuncture)	128.6	117.41
Average Licensing Cost Per Individual License Issued (Physician Assistant)	34.34	32.62
Average Licensing Cost Per Facility License Issued	49.43	50.28
Average Number of Days for Individual License Issuance (Physicians)	180	180
<b>B. Goal: ENFORCE ACTS</b>		
To protect the public by conducting investigations of allegations against licensees and taking appropriate corrective and/or disciplinary action when necessary; by educating the public, staff, and licensees regarding the functions and services of the Texas State Board of Medical Examiners, the Texas State Board of Acupuncture Examiners, and the Texas State Board of Physician Assistant Examiners.		
<b>Outcome (Results/Impact):</b>		
Percent of Complaints Resulting in Disciplinary Action (Physician)	10%	10%
Percent of Complaints Resulting in Disciplinary Action (Acupuncture)	10%	10%
Percent of Complaints Resulting in Disciplinary Action (Physician Assistant)	12%	12%
<b>B.1.1. Strategy: ENFORCEMENT</b>	\$ 2,228,993	\$ 2,222,926
Conduct competent, fair, and timely investigations; ensure due process for		

**BOARD OF MEDICAL EXAMINERS**  
(Continued)

respondents; monitor the resolution of complaints; maintain adequate monitoring of all probationers in a timely fashion; and contact consumer complainants in a timely and regular manner.

<b>Output (Volume):</b>		
Number of Complaints Resolved (Physician)	1,400	1,400
Number of Complaints Resolved (Acupuncture)	10	10
Number of Complaints Resolved (Physician Assistant)	60	70

<b>Efficiencies:</b>		
Average Time for Complaint Resolution (Physician)	326	326

<b>Explanatory:</b>		
Number of Jurisdictional Complaints Received (Physician)	1,400	1,400
Number of Jurisdictional Complaints Received (Acupuncture)	10	10
Number of Jurisdictional Complaints Received (Physician Assistant)	60	70

<b>B.2.1. Strategy:</b> PUBLIC EDUCATION	\$ 177,558	\$ 179,521
Provide public awareness and educational programs to educate the public and licensees regarding the agency’s functions, services and responsibilities.		

<b>Total, Goal B:</b> ENFORCE ACTS	\$ 2,406,551	\$ 2,402,447
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<b>C. Goal:</b> INDIRECT ADMINISTRATION		
<b>C.1.1. Strategy:</b> INDIRECT ADMINISTRATION	\$ 1,257,804	\$ 1,257,835

<b>Grand Total,</b> BOARD OF MEDICAL EXAMINERS	<u>\$ 5,249,697</u>	<u>\$ 5,242,224</u>
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<b>Method of Financing:</b>		
General Revenue Fund	\$ 5,069,697	\$ 5,062,224
Appropriated Receipts	<u>180,000</u>	<u>180,000</u>

<b>Total, Method of Financing</b>	<u>\$ 5,249,697</u>	<u>\$ 5,242,224</u>
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<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	\$ 1,594,043	\$ 1,658,589
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<b>Number of Full-Time-Equivalent Positions (FTE):</b>	104.0	104.0
<b>Number of FTEs in Riders:</b>	4.0	4.0

<b>Schedule of Exempt Positions:</b>		
Executive Director, Group 3	\$85,000	\$85,000
Salary Supplement	12,000	12,000
Per Diem of Board Members	23,500	23,500

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for “Lease Payments to the Master Lease Purchase Program” or for items with an “(MLPP)” notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under “Acquisition of Information Resource



**BOARD OF MEDICAL EXAMINERS**  
(Continued)

Technologies” may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	<u>2002</u>	<u>2003</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Replacement of Computer Hardware and Software	\$ 70,485	\$ 59,624
 Total, Acquisition of Information Resource Technologies	 \$ <u>70,485</u>	 \$ <u>59,624</u>
 Total, Capital Budget	 \$ <u><u>70,485</u></u>	 \$ <u><u>59,624</u></u>

2. **Interagency Contract with the Center for Rural Health Initiatives.** Included in the amounts appropriated above for Strategy A.1.1, Licensing, in the amounts of \$90,000 in each fiscal year of the biennium, out of fees generated from the Physician Assistant's program, are funds which shall be used for an interagency contract with the Center for Rural Health Initiatives (Department of Health) to provide funding for the Physician Assistant Student Loan Repayment program for those physician assistants who practice in rural areas of the state.
3. **Salary Supplementation.** In addition to the amount specified in the schedule of exempt positions for the salary of the executive director, the State Board of Medical Examiners may approve a salary supplement not to exceed \$12,000 annually if the executive director is a medical doctor and an attorney.
4. **Executive Director Salary.** If the Executive Director is not a physician, the amount listed in the Schedule of Exempt Positions shall be \$68,173 for fiscal year 2002 and \$68,173 for fiscal year 2003. The exempt position shall also be listed as "Group 2."
5. **Contingent Revenue.** Of the amounts appropriated above to the Board of Medical Examiners in Strategy A.1.1. Strategy: Licensing, the amount of \$129,564 in fiscal year 2002 and \$122,091 in fiscal year 2003 is contingent on the Board of Medical Examiners assessing fees sufficient to generate, during the 2002–03 biennium, \$266,177 in excess of \$17,742,000 (Object Code 3560), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years 2002 and 2003. Also contingent on the Board of Medical Examiners meeting the above revenue target, the “Number of Full-time Equivalent Positions (FTE)” figure indicated above is hereby increased by four in 2002 and four in 2003. The Board of Medical Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Medical Examiners’ minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

BOARD OF NURSE EXAMINERS

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal: LICENSING</b>		
To manage cost-effective, quality programs of accreditation, examination, licensure, and regulation that ensure legal standards for professional nursing education and practice and which effectively serve the market demand for qualified professional nurses.		
<b>Outcome (Results/Impact):</b>		
Percentage of Licensees with No Recent Violations	99%	99%
<b>A.1.1. Strategy: LICENSING</b>	\$ 1,557,718	\$ 1,624,388
Operate an efficient system of licensing, examination, and credentials verification for the practice of professional nursing.		
<b>Output (Volume):</b>		
Number of New Licenses Issued to Individuals	8,000	8,000
Number of Individual Licenses Renewed	72,000	72,000
<b>Efficiencies:</b>		
Average Licensing Cost Per Individual License Issued	2.15	2.15
<b>A.2.1. Strategy: ACCREDITATION</b>	\$ 250,750	\$ 254,800
Operate an effective accreditation program for professional nursing programs that includes the implementation of essential competencies curricula.		
<b>Total, Goal A: LICENSING</b>	\$ 1,808,468	\$ 1,879,188
<b>B. Goal: PROTECT PUBLIC</b>		
To ensure swift, fair, and effective enforcement of the Nursing Practice Act so that consumers are protected from unsafe, incompetent, and unethical nursing practice by registered professional nurses.		
<b>Outcome (Results/Impact):</b>		
Percent of Complaints Resulting in Disciplinary Action	30%	30%
Recidivism Rate for Peer Assistance Programs	10%	10%
<b>B.1.1. Strategy: ADJUDICATE VIOLATIONS</b>	\$ 866,300	\$ 877,600
Administer an effective system of enforcement and adjudication which includes investigating and resolving complaints.		
<b>Output (Volume):</b>		
Number of Complaints Resolved	2,250	2,250
<b>Efficiencies:</b>		
Average Time for Complaint Resolution (Days)	178	183
<b>Explanatory:</b>		
Number of Jurisdictional Complaints Received	2,348	2,383
<b>B.1.2. Strategy: PEER ASSISTANCE</b>	\$ 370,000	\$ 370,000
Identify, refer and assist those registered professional nurses whose practice is impaired.		
<b>Output (Volume):</b>		
Number of Licensed Individuals Participating in a Peer Assistance Program	350	350
<b>Total, Goal B: PROTECT PUBLIC</b>	\$ 1,236,300	\$ 1,247,600
<b>Grand Total, BOARD OF NURSE EXAMINERS</b>	\$ 3,044,768	\$ 3,126,788

**BOARD OF NURSE EXAMINERS**  
(Continued)

<b>Method of Financing:</b>		
General Revenue Fund	\$ 2,401,768	\$ 2,483,788
Appropriated Receipts	<u>643,000</u>	<u>643,000</u>
<b>Total, Method of Financing</b>	<u><u>\$ 3,044,768</u></u>	<u><u>\$ 3,126,788</u></u>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>		
	\$ 805,384	\$ 847,751
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	55.0	55.0
<b>Number of FTEs in Riders:</b>	1.0	2.0
<b>Schedule of Exempt Positions:</b>		
Executive Director, Group 2	\$62,000	\$62,000
Per Diem of Board Members	10,000	10,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for “Lease Payments to the Master Lease Purchase Program” or for items with an “(MLPP)” notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under “Acquisition of Information Resource Technologies” may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	<u>2002</u>	<u>2003</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resource Technologies	\$ 27,200	\$ 31,200
Total, Capital Budget	<u><u>\$ 27,200</u></u>	<u><u>\$ 31,200</u></u>

2. **Contingent Revenue.** Of the amounts appropriated above to the Board of Nurse Examiners in Strategy A.1.1, Licensing, the amount of \$31,200 in fiscal year 2002 and the amount of \$74,195 in fiscal year 2003 is contingent on the Board of Nurse Examiners assessing fees sufficient to generate, during the 2002–03 biennium, \$121,482 in excess of \$8,088,000 (Object Code 3560), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal year 2002 and fiscal year 2003. Also contingent on the Board of Nurse Examiners meeting the above revenue target, the “Number of Full-time Equivalent Positions (FTE)” figure indicated above is hereby increased by one in fiscal year 2002 and two in fiscal year 2003. The Board of Nurse Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

BOARD OF VOCATIONAL NURSE EXAMINERS

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal: LICENSING</b>		
To establish and implement cost-effective and efficient systems of regulation through education, practice, and licensure and discipline to meet the market demand for safe, competent, and ethical vocational nurses.		
<b>Outcome (Results/Impact):</b>		
Percentage of Licensees with No Recent Violations	97%	97%
Percent of Complaints Resulting in Disciplinary Action	42%	42%
<b>A.1.1. Strategy:</b> LICENSING	\$ 641,236	\$ 644,551
Operate an efficient and comprehensive licensure system.		
<b>Output (Volume):</b>		
Number of New Licenses Issued to Individuals	4,000	4,000
Number of Individual Licenses Renewed	37,000	37,000
<b>Efficiencies:</b>		
Average Licensing Cost Per Individual License Issued	7.9	7.9
<b>A.2.1. Strategy:</b> NURSING PROGRAM APPROVAL	\$ 153,706	\$ 154,306
Ensure a cost-effective and comprehensive vocational nursing program approval system.		
<b>Output (Volume):</b>		
Total Number of Programs Licensed	112	112
<b>A.3.1. Strategy:</b> ENFORCEMENT	\$ 384,130	\$ 379,198
Investigate jurisdictional complaints, institute disciplinary action, and monitor and enforce probationary stipulations.		
<b>Output (Volume):</b>		
Number of Complaints Resolved	1,175	1,175
<b>Efficiencies:</b>		
Average Time for Complaint Resolution	135	135
<b>Explanatory:</b>		
Number of Jurisdictional Complaints Received	1,200	1,200
<b>A.3.2. Strategy:</b> PEER ASSISTANCE	<u>\$ 180,000</u>	<u>\$ 180,000</u>
To identify, refer, and assist those licensed vocational nurses whose practice is impaired.		
<b>Output (Volume):</b>		
Number of Licensed Individuals Participating in a Peer Assistance Program	150	150
<b>Total, Goal A: LICENSING</b>	<u>\$ 1,359,072</u>	<u>\$ 1,358,055</u>
<b>Grand Total, BOARD OF VOCATIONAL NURSE EXAMINERS</b>	<u><u>\$ 1,359,072</u></u>	<u><u>\$ 1,358,055</u></u>
<b>Method of Financing:</b>		
General Revenue Fund	\$ 1,325,972	\$ 1,329,955
Appropriated Receipts	<u>33,100</u>	<u>28,100</u>
<b>Total, Method of Financing</b>	<u><u>\$ 1,359,072</u></u>	<u><u>\$ 1,358,055</u></u>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>		
	\$ 335,897	\$ 350,004
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	23.0	23.0
<b>Number of FTEs in Riders:</b>	1.0	1.0

BOARD OF VOCATIONAL NURSE EXAMINERS  
(Continued)

Schedule of Exempt Positions:

Executive Director, Group 2	\$58,000	\$58,000
Per Diem of Board Members	9,090	9,090

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for “Lease payments to the Master Lease Purchase Program” or for items with an “(MLPP)” notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under “Acquisition of Information Resource Technologies” may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	2002	2003
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Acquisition of Information Resource Technologies	\$ 77,700	\$ 79,700
Total, Capital Budget	<u>\$ 77,700</u>	<u>\$ 79,700</u>

2. **Contingent Revenue.** Of the amounts appropriated above to the Board of Vocational Nurse Examiners in Strategy A.1.1, Licensing, the amount of \$43,833 in fiscal year 2002 and the amount of \$47,148 in fiscal year 2003 and in Strategy A.2.1, Nursing Program Approval, the amount of \$11,355 in fiscal year 2002 and the amount of \$11,955 in fiscal year 2003 and for the purpose of hiring an additional investigator in Strategy A.3.1, Enforcement, the amount of \$57,250 in fiscal year 2002 and the amount of \$52,318 in fiscal year 2003, is contingent on the Board of Vocational Nurse Examiners assessing fees sufficient to generate, during the 2002–03 biennium, \$239,943 in excess \$3,847,000, (Object Code 3560), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal year 2002 and fiscal year 2003. Also contingent on the Board of Vocational Nurse Examiners meeting the above revenue target, the “Number of Full-time Equivalent Positions (FTE)” figure indicated above is hereby increased by one in fiscal year 2002 and one in fiscal year 2003. The Board of Vocational Nurse Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

OPTOMETRY BOARD

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal: EXAMINATION AND LICENSURE</b>		
To manage a quality program of examination and licensure to ensure the initial and continuing competency of optometrists and enforce the optometry statutes to ensure that the public is protected from incompetent services, fraud and misrepresentation.		
<b>Outcome (Results/Impact):</b>		
Percent of Licensees with No Recent Violations	98%	98%
<b>A.1.1. Strategy:</b> LICENSURE AND ENFORCEMENT	\$ 355,289	\$ 361,653
Operate an efficient and comprehensive optometry licensure and enforcement system.		
<b>Output (Volume):</b>		
Number of New Licenses Issued to Individuals	160	160
Number of Licenses Renewed (Individuals)	3,145	3,220
Number of Complaints Resolved	130	130
<b>Efficiencies:</b>		
Average Time for Complaint Resolution	65	65
<b>Grand Total, OPTOMETRY BOARD</b>	<b>\$ 355,289</b>	<b>\$ 361,653</b>
<b>Method of Financing:</b>		
General Revenue Fund	\$ 321,465	\$ 327,829
Appropriated Receipts	10,000	10,000
Interagency Contracts	23,824	23,824
<b>Total, Method of Financing</b>	<b>\$ 355,289</b>	<b>\$ 361,653</b>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>		
	\$ 112,885	\$ 117,015
<b>Number of Full-Time-Equivalent Positions (FTE):</b>		
<b>Number of FTEs in Riders:</b>	6.0	6.0
	1.0	1.0
<b>Schedule of Exempt Positions:</b>		
Executive Director, Group 1	\$60,000	\$60,000
Per Diem of Board Members	3,720	3,720
<b>1. Investigative Expenses Authorized.</b> The Texas Optometry Board is authorized to hire investigators as independent contractors and to establish a petty cash account not to exceed \$5,000 for the advancement of monies for purposes of purchases of evidence and investigative expenses, including travel, deemed necessary by the Board.		
<b>2. Contingent Revenue.</b> Of the amounts appropriated above to the Board of Optometry in Strategy A.1.1, Licensure and Enforcement, the amount of \$37,098 in fiscal year 2002 and the amount of \$37,715 in fiscal year 2003 is contingent on the Optometry Board assessing fees sufficient to generate, during the 2002–03 biennium, \$84,004 in excess of \$934,000 (Object Code 3562), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years 2002 and 2003. Also contingent on the Board of Optometry Board meeting the above revenue target, the “Number of Full-time Equivalent Positions (FTE)” figure indicated above is hereby increased by one in fiscal year 2002 and one in fiscal year 2003. The Optometry Board, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent		

OPTOMETRY BOARD  
(Continued)

appropriation shall be made available for an Information Technology, Systems Analyst I Full-Time Position to be shared with the Veterinary Medical Board and the Texas Health Professions Council.

STRUCTURAL PEST CONTROL BOARD

	For the Years Ending	
	August 31,	August 31,
	2002	2003
<b>A. Goal: LICENSE AND EDUCATE</b>		
To appropriately license all individuals in commercial and noncommercial pest control and facilitate through education the highest level of competence in the pest control field.		
<b>Outcome (Results/Impact):</b>		
Percent of Licensees with No Recent Violations	96%	96%
<b>A.1.1. Strategy:</b> LICENSING AND EXAMINATIONS	\$ 426,965	\$ 410,999
Examine and license applicators and technicians and improve standards for training.		
<b>Output (Volume):</b>		
Number of New Licenses Issued to Individuals	5,800	5,800
Number of Licenses Renewed (Individuals)	13,500	13,500
<b>Efficiencies:</b>		
Average Licensing Cost Per Individual License Issued	30	30
<b>B. Goal: REGULATE PEST SERVICES</b>		
To insure compliance with regulations and industry standards for providing environmentally sound and effective pest control.		
<b>Outcome (Results/Impact):</b>		
Percent of Complaints Resolved within Six Months	65%	65%
<b>B.1.1. Strategy:</b> REGULATORY ACTIVITIES	\$ 837,197	\$ 835,231
Conduct programs to disseminate information, respond to complaints, perform inspections and necessary investigations, and take appropriate enforcement actions.		
<b>Output (Volume):</b>		
Number of Complaints Resolved	920	920
Number of Inspections Performed	1,600	1,600
<b>Efficiencies:</b>		
Average Time for Complaint Resolution	66	66
<b>C. Goal: EDUCATION AND AWARENESS</b>		
To provide for the education and awareness to the citizenry of Texas concerning matters relating to pest control, with emphasis on Integrated Pest Management in Texas public schools.		
<b>Outcome (Results/Impact):</b>		
Percent of Independent School Districts Reviewed Regarding Integrated Pest Management	20%	20%
<b>C.1.1. Strategy:</b> PUBLIC AWARENESS EFFORTS	\$ 87,319	\$ 87,319
Conduct a program for public awareness and education concerning Integrated Pest Management and compliance assistance.		
<b>Output (Volume):</b>		
Number of School Inspections Performed	350	350
<b>Grand Total, STRUCTURAL PEST CONTROL BOARD</b>	<u>\$ 1,351,481</u>	<u>\$ 1,333,549</u>

STRUCTURAL PEST CONTROL BOARD  
(Continued)

<b>Method of Financing:</b>		
General Revenue Fund	\$ 1,251,481	\$ 1,233,549
Federal Funds	<u>100,000</u>	<u>100,000</u>
<b>Total, Method of Financing</b>	<u><u>\$ 1,351,481</u></u>	<u><u>\$ 1,333,549</u></u>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>		
	\$ 423,419	\$ 448,940
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	39.0	39.0
<b>Schedule of Exempt Positions:</b>		
Executive Director, Group 1	\$63,000	\$63,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for “Lease Payments to the Master Equipment Purchase Program” or for items with an “(MLPP)” notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2002</u>	<u>2003</u>
Out of the General Revenue Fund:		
a. Acquisition of Capital Equipment and Items		
(1) Phone System	\$ 14,000	\$ 0
Total, Capital Budget	<u><u>\$ 14,000</u></u>	<u><u>\$ 0</u></u>

2. **Use of Temporary and Contract Workers.** None of the amounts appropriated above to the Structural Pest Control Board may be expended for temporary staffing service contracts.
3. **Relocation of Headquarters.** It is the intent of the Legislature that the Structural Pest Control Board relocate the agency’s headquarters outside the City of Austin during fiscal year 2003 for the express purpose of lowering leasing costs.
4. **Contingent Appropriation for Lease and Moving Expenses.** Of the amounts appropriated above to the Structural Pest Control Board, \$71,732 in fiscal year 2002 and \$67,800 in fiscal year 2003 are contingent on the Structural Pest Control Board relocating the agency’s headquarters outside the City of Austin.
5. **Contingent Revenue.** Of the amounts appropriated above to the Structural Pest Control Board in Strategy A.1.1, Licensing and Examination, the amount of \$25,300 in fiscal year 2002 and \$9,334 in fiscal year 2003 for the purpose of relocating the agency’s headquarters and upgrading the phone system and in Strategy B.1.1, Regulatory Activities, the amount of \$11,300 in fiscal year 2002 and \$9,334 in fiscal year 2003 for the purpose of relocating the agency’s headquarters is contingent on the Structural Pest Control Board assessing fees sufficient to generate, during the 2002–03 biennium, \$55,268 in excess of \$3,665,000, (Object Code 3175), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years 2002 and 2003. The Structural Pest Control Board, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Structural Pest Control Board’s minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a



STRUCTURAL PEST CONTROL BOARD  
(Continued)

finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

6. **Field Investigators.** It is the intent of the Legislature that the Structural Pest Control Board, whenever possible, hire qualified job candidates from the region where the vacancy exists.

BOARD OF PHARMACY

	For the Years Ending	
	August 31,	August 31,
	2002	2003
<b>A. Goal: MAINTAIN STANDARDS</b>		
To establish and implement reasonable standards for pharmacist education and practice, and for the operations of pharmacies to assure that safe and effective pharmaceutical care is delivered to the citizens of Texas.		
<b>Outcome (Results/Impact):</b>		
Percent of Licensees with No Recent Violations	99%	99%
<b>A.1.1. Strategy: LICENSING</b>	\$ 342,760	\$ 319,754
Operate a timely, cost-effective application and renewal licensure system for pharmacies and pharmacists.		
<b>Output (Volume):</b>		
Number of New Licenses Issued to Individuals	750	800
Number of Licenses Renewed (Individuals)	10,300	10,450
<b>Efficiencies:</b>		
Average Licensing Cost Per Individual License Issued	9.39	9.07
Average Licensing Cost Per Facility License Issued	31.66	31.2
<b>Explanatory:</b>		
Total Number of Business Facilities Licensed	5,470	5,480
<b>B. Goal: ENFORCE REGULATIONS</b>		
To assertively and swiftly enforce all laws relating to the practice of pharmacy to ensure that the public health and safety is protected from unprofessional conduct, fraud, and misrepresentation, and to prevent the misuse, abuse, and diversion of prescription drugs from pharmacies.		
<b>Outcome (Results/Impact):</b>		
Percent of Complaints Resulting in Disciplinary Action	10%	10%
<b>B.1.1. Strategy: ENFORCEMENT</b>	\$ 1,828,438	\$ 1,812,075
Emphasize preventative enforcement by conducting compliance inspections of pharmacies; providing technical assistance, licensee information, and education programs; receiving, investigating, and resolving complaints; and monitoring compliance with disciplinary orders resulting from board adjudication.		
<b>Output (Volume):</b>		
Number of Complaints Resolved	1,300	1,300
<b>Efficiencies:</b>		
Average Time for Complaint Resolution	300	350
<b>Explanatory:</b>		
Number of Jurisdictional Complaints Received	2,000	2,000
<b>B.1.2. Strategy: PEER ASSISTANCE</b>	\$ 160,325	\$ 160,325
Operate a peer assistance program.		

**BOARD OF PHARMACY**  
(Continued)

<b>Output (Volume):</b>		
Number of Individuals Participating in a Peer Assistance Program	150	150
<b>Total, Goal B: ENFORCE REGULATIONS</b>	<b>\$ 1,988,763</b>	<b>\$ 1,972,400</b>
<b>C. Goal: INDIRECT ADMINISTRATION</b>		
<b>C.1.1. Strategy: INDIRECT ADMINISTRATION</b>	<b>\$ 489,441</b>	<b>\$ 481,172</b>
<b>Grand Total, BOARD OF PHARMACY</b>	<b><u>\$ 2,820,964</u></b>	<b><u>\$ 2,773,326</u></b>
<b>Method of Financing:</b>		
GR Dedicated - Pharmacy Board Operating Account No. 523	\$ 2,713,431	\$ 2,707,200
Appropriated Receipts	<u>107,533</u>	<u>66,126</u>
<b>Total, Method of Financing</b>	<b><u>\$ 2,820,964</u></b>	<b><u>\$ 2,773,326</u></b>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>		
	\$ 742,234	\$ 768,873
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	<b>46.9</b>	<b>46.9</b>
<b>Schedule of Exempt Positions:</b>		
Executive Director, Group 2	\$70,000	\$70,000
Per Diem of Board Members	9,450	9,450

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	<u>2002</u>	<u>2003</u>
Out of the GR Dedicated - Pharmacy Board Operating Account No. 523:		
a. Acquisition of Information Resource Technologies		
(1) Replacement and Acquisition of New Computer Hardware	\$ 34,604	\$ 56,552
b. Transportation Items		
(1) Replacement Vehicles (4)	\$ 30,000	\$ 30,000
<b>Total, Capital Budget</b>	<b><u>\$ 64,604</u></b>	<b><u>\$ 86,552</u></b>

2. **Contingent Revenue.** Of the amounts appropriated above to the Board of Pharmacy in Strategy A.1.1. Licensing, the amount of \$5,371 in fiscal year 2002 and the amount of \$8,099 in fiscal year 2003 is contingent on the Pharmacy Board assessing fees sufficient to generate, during the 2002-03 biennium, \$14,388 in excess of \$6,963,000 (Object Code 3562, 3570, 3777), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years

BOARD OF PHARMACY  
(Continued)

2002 and 2003. The Pharmacy Board, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002-2003 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available.

EXECUTIVE COUNCIL OF PHYSICAL THERAPY &  
OCCUPATIONAL THERAPY EXAMINERS

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal:</b> LICENSING AND REGISTRATION		
To protect the public health and safety by licensing qualified practitioners of physical therapy and occupational therapy and registering the eligible facilities providing such services.		
<b>Outcome (Results/Impact):</b>		
Percent of Licensees with No Recent Violations: Physical Therapy	99%	99%
Percent of Licensees with No Recent Violations: Occupational Therapy	100%	100%
<b>A.1.1. Strategy:</b> OPERATE LICENSING SYSTEM	\$ 484,065	\$ 484,662
Operate an efficient, accurate, and timely licensure process to license physical therapists, physical therapist assistants, occupational therapists and occupational therapy assistants, through specific requirements for preparatory education, examinations, endorsements, continuing education, and renewal, and operate an efficient, accurate and timely registration process to register and renew licenses for facilities in which the practices of physical therapy and occupational therapy are conducted.		
<b>Output (Volume):</b>		
Number of New Licenses Issued to Individuals: Physical Therapy	800	800
Number of New Licenses Issued to Individuals: Occupational Therapy	600	600
Number of Licenses Renewed (Individuals): Physical Therapy	5,200	5,200
Number of Licenses Renewed (Individuals): Occupational Therapy	3,000	3,000
<b>Efficiencies:</b>		
Average Licensing Cost Per Individual License Issued: Physical Therapy	50	50
Average Licensing Cost Per Individual License Issued: Occupational Therapy	70	70
Average Cost Per Facility Registration Issued	23	23
<b>Explanatory:</b>		
Total Number of Business Facilities Registered	2,000	2,000

**EXECUTIVE COUNCIL OF PHYSICAL THERAPY &  
OCCUPATIONAL THERAPY EXAMINERS**  
(Continued)

**B. Goal: ENFORCEMENT**

To protect the public by investigating allegations against individuals in violation of the laws governing the practice of physical therapy and occupational therapy, and taking appropriate corrective and/or disciplinary action when necessary; and by educating the public, staff and licensees regarding board functions and services.

**Outcome (Results/Impact):**

Percent of Complaints Resulting in Disciplinary Action:		
Physical Therapy	15%	15%

Percent of Complaints Resulting in Disciplinary Action:		
Occupational Therapy	15%	15%

<b>B.1.1. Strategy:</b> ADMINISTER ENFORCEMENT	\$	310,800	\$	310,800
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Administer a system of enforcement and adjudication of the laws governing the practice of physical therapy and occupational therapy.

**Output (Volume):**

Number of Complaints Resolved: Physical Therapy	175	175
Number of Complaints Resolved: Occupational Therapy	60	60

**Efficiencies:**

Average Time for Complaint Resolution: Physical Therapy	100	100
Average Time for Complaint Resolution: Occupational Therapy	100	100

**Explanatory:**

Number of Jurisdictional Complaints Received: Physical Therapy	180	180
Number of Jurisdictional Complaints Received: Occupational Therapy	60	60

<b>Grand Total, EXECUTIVE COUNCIL OF PHYSICAL THERAPY &amp; OCCUPATIONAL THERAPY EXAMINERS</b>	<b>\$</b>	<b><u>794,865</u></b>	<b>\$</b>	<b><u>795,462</u></b>
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**Method of Financing:**

General Revenue Fund	\$	769,865	\$	770,462
Appropriated Receipts		<u>25,000</u>		<u>25,000</u>

<b>Total, Method of Financing</b>	<b>\$</b>	<b><u>794,865</u></b>	<b>\$</b>	<b><u>795,462</u></b>
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<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	<b>\$</b>	<b>250,279</b>	<b>\$</b>	<b>259,353</b>
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<b>Number of Full-Time-Equivalent Positions (FTE):</b>		<b>18.0</b>		<b>18.0</b>
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**Schedule of Exempt Positions:**

Executive Director, Group 1	\$51,198	\$51,198
Per Diem of Board Members	5,070	5,070

1. **Contingent Revenue.** Of the amounts appropriated above to the Executive Council of Physical Therapy and Occupational Therapy Examiners in A.1.1. Strategy: Operate Licensing System, the amount of \$1,172 in fiscal year 2002 and \$1,768 in fiscal year 2003 is contingent on the Executive Council of Physical Therapy and Occupational Therapy Examiners assessing fees sufficient to generate, during the 2002–03 biennium, \$3,140 in excess of \$4,206,000, (Object Code 3562), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years 2002 and 2003. The Executive Council of Physical Therapy and Occupational Therapy Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Executive Council of Physical Therapy and Occupational Therapy Examiners’ minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public

EXECUTIVE COUNCIL OF PHYSICAL THERAPY &  
OCCUPATIONAL THERAPY EXAMINERS  
(Continued)

Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

BOARD OF PLUMBING EXAMINERS

	For the Years Ending	
	August 31,	August 31,
	2002	2003
<b>A. Goal:</b> ENSURE PUBLIC SAFETY/PLUMBING		
To protect the health of Texas citizens by ensuring that each person has access to clean water, clean air and uncontaminated medical gases through quality plumbing installed and maintained by competent plumbers and inspected by competent inspectors; to ensure that plumbers who install and maintain public water supplies and sewage disposal systems and medical gas systems and inspectors who inspect such systems have the most up-to-date knowledge, skills, and competencies to prevent the transmission of water-borne diseases and gases and the unintended cross-connection of breathable and lethal gases.		
<b>Outcome (Results/Impact):</b>		
Percentage of Complaints Resolved Resulting in Disciplinary Action	56%	56%
Percentage of Licensees with No Recent Violations	98.9%	98.9%
<b>A.1.1. Strategy:</b> EXAMINE AND LICENSE PLUMBERS	\$ 513,464	\$ 513,464
Administer competency examinations and issue and renew licenses for master plumbers, journeyman plumbers, plumbing inspectors, medical gas endorsements, and water supply protection endorsements; issue registration cards to apprentice plumbers.		
<b>Output (Volume):</b>		
Number of New Licenses Issued to Individuals	1,910	2,060
<b>Efficiencies:</b>		
Average Licensing Cost Per Individual License Issued	4.4	4.4
<b>A.1.2. Strategy:</b> INSPECTIONS AND ENFORCEMENT	\$ 562,471	\$ 619,871
Inspect and monitor job sites; conduct continuing education seminars and training sessions; respond to inquiries; investigate and resolve complaints; issue reprimands and revoke or suspend licenses; issue citations; monitor providers of instruction in medical gas piping programs, water protection specialist programs, and continuing education programs; inspect plumbing for compliance with state plumbing codes; and maintain contacts with municipal authorities that comply with the Act through local ordinance.		
<b>Output (Volume):</b>		
Number of Job Sites Monitored	9,000	10,125
Number of Field Investigations Conducted	420	420
Number of Complaints Resolved	425	425
<b>Total, Goal A:</b> ENSURE PUBLIC SAFETY/PLUMBING	\$ 1,075,935	\$ 1,133,335

**BOARD OF PLUMBING EXAMINERS**  
(Continued)

<b>B. Goal:</b> INDIRECT ADMINISTRATION		
<b>B.1.1. Strategy:</b> INDIRECT ADMINISTRATION	\$ 404,832	\$ 406,635
<b>Grand Total,</b> BOARD OF PLUMBING EXAMINERS	<u>\$ 1,480,767</u>	<u>\$ 1,539,970</u>
<b>Method of Financing:</b>		
General Revenue Fund	\$ 1,463,767	\$ 1,522,970
Appropriated Receipts	<u>17,000</u>	<u>17,000</u>
<b>Total, Method of Financing</b>	<u>\$ 1,480,767</u>	<u>\$ 1,539,970</u>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	\$ 376,412	\$ 416,676
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	24.0	24.0
<b>Number of FTEs in Riders:</b>	0.0	1.0
<b>Schedule of Exempt Positions:</b>		
Administrator, Group 2	\$62,000	\$62,000
Per Diem of Board Members	2,030	2,030

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under “Acquisition of Information Resource Technologies” may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

	<u>2002</u>	<u>2003</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Purchase Computers	\$ 31,000	\$ 27,300
b. Acquisition of Capital Equipment and Items		
(1) Replacement of Vehicles (4)	30,000	30,000
(2) New Vehicles (1)	<u>\$ 0</u>	<u>\$ 15,000</u>
Total, Acquisition of Capital Equipment and Items	<u>\$ 30,000</u>	<u>\$ 45,000</u>
Total, Capital Budget	<u>\$ 61,000</u>	<u>\$ 72,300</u>

2. **Contingent Revenue.** Of the amounts appropriated above to the Texas Board of Plumbing Examiners in Strategy A.1.2. Inspections and Enforcement, the amount of \$57,400 in fiscal year 2003 is contingent on the Texas Board of Plumbing Examiners assessing fees in fiscal year 2003 sufficient to generate, during the 2002-03 biennium, \$67,326 in excess of \$4,290,000 (Object Code 3175), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years 2002 and 2003. Also contingent on the Board of Plumbing Examiners meeting the above revenue target, the “Number of Full-time Equivalent Positions (FTE)” figure indicated above is hereby increased by 1 in fiscal year 2003 and the additional FTE shall not be

BOARD OF PLUMBING EXAMINERS  
(Continued)

permanently located in Austin. The Board of Plumbing Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

BOARD OF PODIATRIC MEDICAL EXAMINERS

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal:</b> PROTECT TEXANS		
To protect the citizens of Texas from incompetent and unethical podiatrists with a quality program of examination and licensure and swift, fair, and effective enforcement of statutes and rules.		
<b>Outcome (Results/Impact):</b>		
Percent of Licensees with No Recent Violations	98.5%	98.5%
Percent of Documented Complaints Resolved within Six Months	85%	85%
<b>A.1.1. Strategy:</b> LICENSURE AND ENFORCEMENT	\$ 214,891	\$ 216,410
Operate a system of: (1) testing and examination of candidates for licensure; (2) mandatory continuing medical education of licensees; and (3) investigation and disciplinary hearings for alleged violations of the Texas Podiatric Medical Practice Act.		
<b>Output (Volume):</b>		
Number of New Licenses Issued to Individuals	65	65
Complaints Resolved	93	93
<b>Efficiencies:</b>		
Average Licensing Cost Per Individual License Issued	9	9
Average Time for Complaint Resolution	120	115
<b>Explanatory:</b>		
Total Number of Individuals Licensed	1,105	1,105
<b>Grand Total, BOARD OF PODIATRIC MEDICAL EXAMINERS</b>	<u>\$ 214,891</u>	<u>\$ 216,410</u>
<b>Method of Financing:</b>		
General Revenue Fund	\$ 213,891	\$ 215,410
Appropriated Receipts	<u>1,000</u>	<u>1,000</u>
<b>Total, Method of Financing</b>	<u>\$ 214,891</u>	<u>\$ 216,410</u>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>		
	\$ 84,366	\$ 86,984
<b>Number of Full-Time-Equivalent Positions (FTE):</b>		
<b>Number of FTEs in Riders:</b>	4.0	4.0
	1.0	1.0
<b>Schedule of Exempt Positions:</b>		
Executive Director, Group 1	\$52,000	\$52,000
Per Diem of Board Members	1,080	1,080

BOARD OF PODIATRIC MEDICAL EXAMINERS
(Continued)

1. Contingent Revenue. Of the amounts appropriated above to the Board of Podiatric Medical Examiners in Strategy A.1.1, Licensure and Enforcement, the amount of \$39,475 in fiscal year 2002 and \$36,690 in fiscal year 2003 for the purpose of hiring an administrative technician II, obtaining medical review of appropriate compliant files and expert testimony, an increase in the executive director’s salary and an increase in Health Professions Council is contingent upon the Board of Podiatric Medical Examiners assessing fees sufficient to generate, during the 2002–03 biennium, \$93,801 in excess of \$594,000 (Object Code 3175), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years 2002 and 2003. Also contingent on the Board of Podiatric Medical Examiners meeting the above revenue target, the “Number of Full-time Equivalent Positions (FTE)” figure indicated above is hereby increased by one in fiscal year 2002 and one in fiscal year 2003. The Board of Podiatric Medical Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Podiatric Medical Examiners’ minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

BOARD OF EXAMINERS OF PSYCHOLOGISTS

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal: LICENSURE</b>		
To protect the public by maintaining a quality program of examination and licensure to ensure the initial and continuing competency of psychologists, psychological associates, and licensed specialists in school psychology.		
<b>Outcome (Results/Impact):</b>		
Percent of Licensees with No Recent Violations	99%	99%
<b>A.1.1. Strategy: LICENSING</b>	\$ 366,958	\$ 371,374
To operate a quality licensure program through an efficient and cost effective program of licensure, including education, experience and examination requirements, continuing education requirements and renewal requirements.		
<b>Output (Volume):</b>		
Number of New Certificates/Licenses Issued to Individuals	420	420
Number of Certificates/Licenses Renewed (Individuals)	6,350	6,400
<b>Efficiencies:</b>		
Average Licensing Cost Per Individual License Issued	23	23
<b>A.1.2. Strategy: PURCHASE AND GRADING</b>	\$ 112,500	\$ 112,500
Purchase and grading of National Exams (estimated and nontransferable).		
<b>Total, Goal A: LICENSURE</b>	\$ 479,458	\$ 483,874
<b>B. Goal: ENFORCEMENT LAWS &amp; RULES</b>		
To protect the public through enforcement of the laws and rules governing the practice of psychology in Texas and to ensure swift, fair and effective disciplinary action for violators, including re-education and/or rehabilitation of those violators.		
<b>Outcome (Results/Impact):</b>		
Percent of Documented Complaints Resolved within Six Months	50%	55%



BOARD OF EXAMINERS OF PSYCHOLOGISTS  
(Continued)

<b>B.1.1. Strategy:</b> ENFORCEMENT	\$	308,500	\$	312,230
Operate a quality investigation/enforcement program in response to complaints concerning psychological practice consistent with the due process laws of Texas, in a timely manner and with a focus during enforcement on rehabilitation of the psychological provider.				
<b>Output (Volume):</b>				
Complaints Resolved		200		200
<b>Efficiencies:</b>				
Average Time for Complaint Resolution		375		375
<b>Explanatory:</b>				
Number of Jurisdictional Complaints Received		160		160
<b>Grand Total, BOARD OF EXAMINERS OF PSYCHOLOGISTS</b>	<b>\$</b>	<b><u>787,958</u></b>	<b>\$</b>	<b><u>796,104</u></b>
<b>Method of Financing:</b>				
General Revenue Fund	\$	722,158	\$	730,304
Appropriated Receipts		<u>65,800</u>		<u>65,800</u>
<b>Total, Method of Financing</b>	<b>\$</b>	<b><u>787,958</u></b>	<b>\$</b>	<b><u>796,104</u></b>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	\$	189,474	\$	195,639
<b>Number of Full-Time-Equivalent Positions (FTE):</b>		14.0		14.0
<b>Schedule of Exempt Positions:</b>				
Executive Director, Group 1		\$52,000		\$52,000
Per Diem of Board Members		7,050		7,050

- Reimbursement of Advisory Committee Members.** Pursuant to VTCA, Government Code, § 2110.004, reimbursement of expenses for advisory committee members out of funds appropriated above, is limited to the following advisory committee: Psychological Associate Advisory Committee.
- Contingent Revenue.** Of the amounts appropriated above to the Board of Examiners of Psychologists in Strategy A.1.1, Licensing, the amount of \$5,322 in fiscal year 2002 and \$6,121 in fiscal year 2003 for the Health Professions Council and network maintenance is contingent upon the Board of Examiners of Psychologists assessing fees sufficient to generate, during the 2002–03 biennium, \$11,713 in excess of \$2,295,000 (Object Code 3175), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal year 2002 and fiscal year 2003. The Board of Examiners of Psychologists, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Examiners of Psychologists’ minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

RACING COMMISSION

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>Out of the Texas Racing Commission Account No. 597:</b>		
<b>A. Goal: ENFORCE RACING REGULATION</b>		
To enforce racing regulations in Texas.		
<b>Outcome (Results/Impact):</b>		
Percentage of Investigations (Individuals) Resulting in Disciplinary Action	93%	93%
Percentage of Licensees with No Recent Violations	98%	98%
Percentage of Race Animals Injured or Dismissed from the Racetrack	.3%	.3%
<b>A.1.1. Strategy:</b> REGULATE RACETRACK OWNERS	\$ 159,216	\$ 159,216
Monitor racetrack owners and their operations through regulatory and enforcement activities.		
<b>Output (Volume):</b>		
Number of Racetrack Inspections	50	50
<b>Efficiencies:</b>		
Average Regulatory Cost Per Horse Racetrack	22,218	22,218
Average Regulatory Cost Per Greyhound Racetrack	22,218	22,218
<b>Explanatory:</b>		
Number of Horse Tracks Regulated	7	7
Number of Greyhound Tracks Regulated	3	3
<b>A.2.1. Strategy:</b> TEXAS BRED INCENTIVE PROGRAM	\$ 6,383,590	\$ 6,351,539
Administer the Texas Bred Incentive Program by monitoring the Texas bred races and account, and through timely allocation of funds to the breed registries (estimated and nontransferable).		
<b>Output (Volume):</b>		
Number of Texas-bred Awards	27,524	27,524
<b>A.3.1. Strategy:</b> SUPERVISE RACING CONDUCT	\$ 1,148,843	\$ 1,148,843
Supervise the conduct of racing through enforcement of regulations and monitoring of races.		
<b>Output (Volume):</b>		
Number of Occupational Licenses Suspended or Revoked	245	245
Number of Investigations Completed	1,372	1,372
<b>A.4.1. Strategy:</b> HEALTH AND DRUG TESTING PROGRAM	\$ 798,305	\$ 798,305
Administer Animal Health and Drug Testing Program through animal drug tests and veterinary inspections.		
<b>Output (Volume):</b>		
Number of Race Animals Inspected Pre-race	135,800	135,800
<b>Total, Goal A: ENFORCE RACING REGULATION</b>	<b>\$ 8,489,954</b>	<b>\$ 8,457,903</b>
<b>B. Goal: REGULATE PARTICIPATION</b>		
Regulate the participation in racing.		
<b>Outcome (Results/Impact):</b>		
Average Time Required to Issue a New Occupational License	7	7
<b>B.1.1. Strategy:</b> OCCUPATIONAL LICENSING PROGRAM	\$ 435,140	\$ 435,140
Administer the Occupational Licensing Program through enforcement of regulations.		
<b>Output (Volume):</b>		
Number of New Occupational Licenses Issued	6,031	6,031
Number of Occupational Licenses Renewed	8,466	8,466
<b>Efficiencies:</b>		
Average Regulatory Cost Per Licensee	34.68	34.68

RACING COMMISSION  
(Continued)

<b>C. Goal: REGULATE PARI-MUTUEL WAGERING</b>			
Regulate pari-mutuel wagering in Texas.			
<b>Outcome (Results/Impact):</b>			
Percentage of Compliance Audits Passed		95%	95%
<b>C.1.1. Strategy:</b> REGULATE PARI-MUTUEL WAGERING	\$	752,161	\$ 752,161
Regulate pari-mutuel wagering to maintain an honest racing industry.			
<b>Output (Volume):</b>			
Number of Illegal Wagering Investigations Completed		12	12
<b>Efficiencies:</b>			
Average Cost Per Illegal Wagering Investigation		414	414
<b>Explanatory:</b>			
Total Pari-mutuel Handle (in Millions)		639.4	632.2
Total Take to the State Treasury from Pari-mutuel Wagering on Live and Simulcast Races		4,987,320	4,931,160
<b>D. Goal: INDIRECT ADMINISTRATION</b>			
<b>D.1.1. Strategy:</b> CENTRAL ADMINISTRATION	\$	698,913	\$ 703,998
<b>D.1.2. Strategy:</b> INFORMATION RESOURCES	\$	230,744	\$ 233,409
<b>D.1.3. Strategy:</b> OTHER SUPPORT SERVICES	\$	20,408	\$ 20,408
<b>Total, Goal D: INDIRECT ADMINISTRATION</b>	\$	950,065	\$ 957,815
<b>Grand Total, RACING COMMISSION</b>	\$	10,627,320	\$ 10,603,019
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>			
	\$	962,615	\$ 1,004,927
<b>Number of Full-Time-Equivalent Positions (FTE):</b>		81.3	81.3
<b>Number of FTEs in Riders:</b>		14.0	14.0
<b>Schedule of Exempt Positions:</b>			
Executive Secretary, Group 2		\$77,760	\$77,760
Per Diem of Commissioners		6,500	6,500
<b>Supplemental Appropriations Made in Riders:</b>	\$	600,000	\$ 600,000
1. <b>Capital Budget.</b> None of the funds appropriated above may be expended for capital budget items except as listed below. The amount shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase" or for other items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.			
		<u>2002</u>	<u>2003</u>
Out of the GR Dedicated - Texas Racing Commission Account No. 597:			
a. Acquisition of Information Resource Technologies			
(1) Purchase Computer Hardware and Software	\$	34,457	\$ 34,457
Total, Capital Budget	\$	34,457	\$ 34,457

## RACING COMMISSION

(Continued)

2. **Limitation on Travel Reimbursement.** Out of the funds appropriated above, not more than \$1,500 per commissioner may be expended on out-of-state travel and not more than \$3,000 per commissioner may be expended on in-state travel in each year of the biennium.
3. **Appropriation: Unexpended Balances.** Unexpended balances remaining in Racing Commission Receipts as of August 31, 2002, are hereby appropriated for the fiscal year beginning September 1, 2002.
4. **Texas Bred Incentive Program Receipts.** All amounts set aside by the Texas Racing Act for the Texas Bred Incentive Program are appropriated above in Strategy A.2.1, Texas Bred Incentive Program.
5. **Appropriation: Track Official Fees.** All revenues received from racetracks by the Texas Racing Commission for the purpose of paying track officials' fees (Object Codes 3188 and 3190) are appropriated above in Strategy A.3.1, Supervise Racing Conduct, and in Strategy A.4.1, Health and Drug Testing Program. Any revenues collected in excess of \$1,913,000 in fiscal year 2002 and \$1,913,000 in fiscal year 2003 are hereby appropriated to the Commission for the same purpose. Contingent upon a new racetrack becoming operational in the 2002–03 biennium and on the Racing Commission collecting revenues in excess of \$1,913,000 in fiscal year 2002 or \$1,913,000 in fiscal year 2003, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is increased by not more than eight each year of the biennium.
6. **Criminal History Checks.** Out of the funds appropriated above in Strategy B.1.1, Occupational Licensing Program, \$75,000 in fiscal year 2002 and \$75,000 in fiscal year 2003 are appropriated to the Racing Commission for the purpose of reimbursing the Department of Public Safety for costs incurred in conducting criminal history checks on Racing Commission license applicants and renewals. Any additional revenue received from occupational license fees to cover the costs of criminal history checks is hereby appropriated to the Racing Commission for the purpose of reimbursing the Department of Public Safety.
7. **Texas Bred Incentive Program Awards.** None of the funds appropriated above for Texas Bred Incentive Program Awards may be expended for payments to a member serving on the Commission. The Texas Racing Commission shall take all necessary steps to ensure compliance with this provision.
8. **Contingency Appropriation.** Contingent upon a new racetrack becoming operational in the 2002–03 biennium, revenues received by the Texas Racing Commission for racing and wagering licenses (Object Code 3189) in Strategy B.1.1, Occupational Licensing Program, in excess of \$618,000 in fiscal year 2002 or \$618,000 in fiscal year 2003 are hereby appropriated to the commission for the purpose of paying racetrack licensing personnel and operating expenses. In addition, revenues received by the Racing Commission for wager ticket-outs (Object Code 3194) in Strategy C.1.1, Regulate Pari-Mutuel Wage, in excess of \$2,231,000 in fiscal year 2002 or \$2,282,000 in fiscal year 2003 are hereby appropriated to the commission for the purpose of paying racetrack audit and investigation personnel and operating expenses. Contingent on the Racing Commission exceeding the above revenue targets, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is increased by not more than six each year of the biennium.
9. **Contingent Revenue.** Of the amounts appropriated above to the Racing Commission, the amounts of \$33,928 in each year of the 2002–03 biennium in Strategy A.3.1, Supervise Racing Conduct; \$21,237 in each year of the 2002–03 biennium in Strategy A.4.1, Health and Drug Testing Programs; and \$3,802 in fiscal year 2002 and \$6,467 in fiscal year 2003 in Strategy D.1.2, Information Resources, are contingent on the Racing Commission generating, during the 2002–03 biennium, \$120,599 not related to the opening of a new racetrack collected from wager ticket-outs (Object Code 3194) in excess of \$4,513,000 contained in the Comptroller of Public

RACING COMMISSION  
(Continued)

Accounts’ Biennial Revenue Estimate for fiscal years 2002 and 2003. The Racing Commission shall furnish copies of all supporting documentation for the additional revenue to be generated for the 2002–03 biennium to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenue, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

REAL ESTATE COMMISSION

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal: ENSURE STANDARDS</b>		
To determine that applicants for licensure meet legal requirements for real estate license issuance.		
<b>Outcome (Results/Impact):</b>		
Percent of Licensees with No Recent Violations	99%	99%
<b>A.1.1. Strategy:</b> TREC LICENSING	\$ 944,176	\$ 882,615
Perform the commission’s licensing function by: reviewing applications; processing criminal records checks; issuing candidate information brochures to take competency examinations; and issuing licenses.		
<b>Output (Volume):</b>		
Number of New Licenses Issued to Individuals	13,000	13,000
Number of Licenses Renewed (Individuals)	53,000	53,000
<b>Efficiencies:</b>		
Average Licensing Cost Per Individual License Issued	15	15
Average Time for Individual License Issuance	37	37
<b>B. Goal: ENFORCE REGULATIONS</b>		
To act promptly and aggressively to enforce the laws and rules of the commission in a fair and evenhanded manner.		
<b>Outcome (Results/Impact):</b>		
Percent of Documented Complaints Resolved within Six Months	70%	70%
<b>B.1.1. Strategy:</b> TREC INVESTIGATION	\$ 953,598	\$ 935,248
Investigate and resolve complaints by reviewing complaints for validity and opening complaint files as indicated and by reviewing investigative reports.		
<b>Output (Volume):</b>		
Number of Complaints Resolved	3,100	3,100
<b>Efficiencies:</b>		
Average Time for Complaint Resolution	120	115
<b>C. Goal: PROVIDE EDUCATION</b>		
To communicate effectively with the public and licensees concerning matters within the commission’s jurisdiction.		
<b>C.1.1. Strategy:</b> LICENSEE/CONSUMER EDUCATION	\$ 767,062	\$ 752,405
Prepare and distribute information describing the functions of the commission and statutory and regulatory provisions.		
<b>Output (Volume):</b>		
Number of Calls Received	330,000	330,000
<b>D. Goal: LICENSING APPRAISERS</b>		
To protect the public and ensure the availability of qualified appraisers by implementing and enforcing the Texas Appraiser Licensing and Certification Act and by providing information to appraisers and the general public for the maintenance of high		

REAL ESTATE COMMISSION  
(Continued)

professional standards and informed consumer decisions in real estate transactions in all areas of Texas (Art 6573a VTCS).

<b>Outcome (Results/Impact):</b>		
Percent of Licensed or Certified Appraisers with No Recent Violations	98.7%	98.5%
Percent of Documented Complaints Resolved within Six Months	60%	60%
<b>D.1.1. Strategy:</b> TALCB LICENSING	\$ 349,925	\$ 356,035
Process appraiser license applications; issue licenses and renewals; approve appraisal educational coursework offered by proprietary schools, appraisal organizations, and colleges and universities; and develop standards and agreements for reciprocity with other states for appraiser licensing and certification.		
<b>Output (Volume):</b>		
Number of New Licenses and Certifications Issued to Individuals	260	275
Number of Licenses and Certifications Renewed (Individuals)	1,500	2,200
<b>D.2.1. Strategy:</b> TALCB ENFORCEMENT	\$ 116,991	\$ 109,257
Investigate and resolve complaints, imposing penalties when appropriate.		
<b>Output (Volume):</b>		
Number of Complaints Resolved	65	67
<b>Efficiencies:</b>		
Average Time for Complaint Resolution	160	155
<b>Total, Goal D:</b> LICENSING APPRAISERS	\$ 466,916	\$ 465,292
<b>E. Goal:</b> INDIRECT ADMINISTRATION		
<b>E.1.1. Strategy:</b> INDIRECT ADMINISTRATION	\$ 1,271,151	\$ 1,371,053
<b>Grand Total, REAL ESTATE COMMISSION</b>	<u>\$ 4,402,903</u>	<u>\$ 4,406,613</u>
<b>Method of Financing:</b>		
General Revenue Fund	\$ 4,115,203	\$ 4,095,613
GR Dedicated - Appraiser Registry Account No. 028	95,700	119,000
<u>Other Funds</u>		
Appropriated Receipts	188,000	188,000
Real Estate Recovery Trust Fund	3,500	3,500
Real Estate Inspection Trust Fund	500	500
Subtotal, Other Funds	\$ 192,000	\$ 192,000
<b>Total, Method of Financing</b>	<u>\$ 4,402,903</u>	<u>\$ 4,406,613</u>
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	\$ 1,132,536	\$ 1,193,446
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	95.0	95.0
<b>Schedule of Exempt Positions:</b>		
Administrator, Group 2	\$70,000	\$70,000
Per Diem of TREC Commission Members	7,500	7,500
Per Diem of TALCB Board Members	9,720	9,720

**REAL ESTATE COMMISSION**  
(Continued)

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

	<u>2002</u>	<u>2003</u>
Out of the General Revenue Fund:		
a. Lease/Acquisition of Information Resource Technologies		
(1) TALCB Computers	\$ 14,299	\$ 3,000
Total, Acquisition of Information Resource Technologies	\$ <u>14,299</u>	\$ <u>3,000</u>
b. Acquisition of Capital Equipment and Items		
(1) Modular Furniture	22,500	0
Total, Acquisition of Capital Equipment and Items	\$ <u>22,500</u>	\$ <u>0</u>
Total, Capital Budget	<u>\$ 36,799</u>	<u>\$ 3,000</u>

2. **Appropriation of Residential Service Company Examination Fees.** In addition to the funds appropriated above (\$5,500 each year of the biennium), all monies collected pursuant to § 4(c), Article 6573b, VTCS, are hereby appropriated to the Texas Real Estate Commission for the purposes of conducting examinations and related activities included within Strategy A.1.1, TREC Licensing and Strategy C.1.1, Licensee/Consumer Education.
3. **Reporting Requirement.** In its annual report, the Real Estate Commission shall provide a schedule showing a breakdown of the number of broker and salesman license renewals and the amount of funds transferred to the Real Estate Research Center.
4. **Appropriation of Receipts, National Registry Fees.** All fee revenue deposited to the Appraiser Registry Account 028, in the General Revenue Fund pursuant to VTCS, Article 6573a.2, § 13, including the estimated amounts appropriated above, \$95,700 in fiscal year 2002 and \$119,000 in fiscal year 2003, is hereby appropriated to the Texas Appraiser Licensing and Certification Board, as an independent subdivision of the Texas Real Estate Commission. The appropriation made herein shall be expended only for the purpose specified in § 13 of VTCS, Article 6573a.2, relating to revenue transmitted to the federal Appraisal Subcommittee.
5. **Real Estate Recovery Fund and Inspection Recovery Fund.** The amounts appropriated above include an estimated \$4,000 per year from the Real Estate Recovery Fund and Inspection Recovery Fund to recover travel and related expenses incurred for collection of court judgments affecting the funds.
6. **Reimbursement of Advisory Committees.** Pursuant to VTCA, Government Code § 2110.004 and out of funds appropriated above, reimbursement of expenses for advisory

REAL ESTATE COMMISSION  
(Continued)

committee members is limited to the broker members of the Real Estate Broker-Lawyer Advisory Committee and the Real Estate Inspector Committee.

7. **Promotion of On-line Services.** It is the intent of the Legislature that the Texas Real Estate Commission print, in at least 13 point font, a notice on any form with an on-line alternative that such services are available on the Internet, listing the website address.
8. **Contingent Revenue.** Of the amounts appropriated above to the Texas Real Estate Commission, the amount of \$23,300 in fiscal year 2002 and \$51,133 in fiscal year 2003 for the purpose of increased lease costs and relocating 15 TREC employees, in Strategy E.1.1, Indirect Administration, the amount of \$22,500 for the purchase of modular furniture, and in Strategy D.1.1, TALCB Licensing, the amount of \$15,138 in fiscal year 2002 and \$3,839 in fiscal year 2003 for the purpose of increased lease costs and upgrading computer hardware and software is contingent on the Texas Real Estate Commission and the Texas Appraisal Licensing and Certification Board, as an independent subdivision of the Texas Real Estate Commission, assessing fees sufficient to generate, during the 2002–03 biennium, \$115,910 in excess of \$10,801,000, (Object Code 3175), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years 2002 and 2003. The Texas Real Estate Commission and the Texas Appraisal Licensing and Certification Board, as an independent subdivision of the Texas Real Estate Commission, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Texas Real Estate Commission’s and the Texas Appraisal Licensing and Certification Board’s minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.
9. **Relocation of Employees.** The Texas Real Estate Commission shall relocate 15 of its employees currently located at the Austin headquarters to a site outside the city limits of Austin by January 1, 2003.

SECURITIES BOARD

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal: PROTECT INVESTORS</b>		
To protect investors from fraud and misrepresentation; to assure that access to capital is available to business.		
<b>Outcome (Results/Impact):</b>		
Number of Enforcement Actions Taken	605	620
Percentage of Texas Dealers Inspected	11%	13%
Percentage of Inspected Dealers Found Out of Compliance	30%	30%
<b>A.1.1. Strategy: LAW ENFORCEMENT</b>	\$ 1,686,254	\$ 1,733,494
Aggressively investigate suspected violations of the Texas Securities Act and work closely with local, state, and federal prosecutors and law enforcement officials to insure that appropriate enforcement action is taken, including the criminal referral, indictment, and conviction of individuals who violate the provisions of the Act.		
<b>Output (Volume):</b>		
Number of Investigations Opened	435	448



# SECURITIES BOARD

(Continued)

<b>Efficiencies:</b>			
Average Cost of Enforcement Actions		2,267	2,679
<b>A.2.1. Strategy:</b> SECURITIES REGISTRATION	\$	479,195	\$ 479,195
Perform a comprehensive, timely, and responsive review of the prospectus and related documentation submitted with securities registration applications. Negotiate with the issuer or its representatives to remove unfair elements from offerings, to insert safeguards for the public, and to assure full disclosure of material considerations to facilitate the registration of offerings. Refer suspected fraudulent offerings to enforcement personnel.			
<b>Output (Volume):</b>			
Number of Securities Applications Processed		32,100	32,900
<b>A.3.1. Strategy:</b> DEALER REGISTRATION	\$	610,895	\$ 610,895
Perform an extensive, timely, and responsive review of applications; conduct criminal and disciplinary investigation of applicants by contacting other law enforcement and regulatory organizations; ensure compliance with examination requirements; and oppose registration of unqualified applicants.			
<b>Output (Volume):</b>			
Number of New Applications Reviewed		61,028	62,859
<b>Explanatory:</b>			
Number of Dealers/Agents Registered		181,729	190,218
<b>A.4.1. Strategy:</b> INSPECT DEALER RECORDS	\$	<u>668,073</u>	\$ <u>765,872</u>
Perform a comprehensive inspection of records to ensure continuing compliance with statutory and rule requirements.			
<b>Output (Volume):</b>			
Number of Inspections Conducted		290	340
<b>Efficiencies:</b>			
Average Cost Per Inspection		2,100	2,080
<b>Total, Goal A: PROTECT INVESTORS</b>	\$	<u>3,444,417</u>	\$ <u>3,589,456</u>
<b>B. Goal:</b> INDIRECT ADMINISTRATION			
<b>B.1.1. Strategy:</b> INDIRECT ADMIN & SUPPORT COSTS	\$	839,571	\$ 839,571
Indirect administration and support costs.			
<b>Grand Total, SECURITIES BOARD</b>	\$	<u><u>4,283,988</u></u>	\$ <u><u>4,429,027</u></u>
<b>Method of Financing:</b>			
General Revenue Fund	\$	4,276,988	\$ 4,422,027
Appropriated Receipts		<u>7,000</u>	<u>7,000</u>
<b>Total, Method of Financing</b>	\$	<u><u>4,283,988</u></u>	\$ <u><u>4,429,027</u></u>
<b>Number of Full-Time-Equivalent Positions (FTE):</b>			
		83.0	83.0
<b>Number of FTEs in Riders:</b>			
		6.5	10.0
<b>Schedule of Exempt Positions:</b>			
Securities Commissioner, Group 3		\$90,000	\$90,000
Per Diem of Board Members		1,290	1,290

SECURITIES BOARD  
(Continued)

1. **Contingent Revenue.** Of the amounts appropriated above to the State Securities Board, the amounts for the strategies listed below are contingent upon activities of the Securities Board and certification by the Comptroller’s Office that these activities will generate, during the 2002–03 biennium, \$1,279,631 in excess of \$222,802,000, (Object Code 3175), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years 2002 and 2003.

<u>Strategy</u>	<u>2002</u>	<u>2003</u>
A.1.1. Law Enforcement	\$ 263,740	\$ 310,980
A.2.1. Securities Registration	\$ 11,100	\$ 11,100
A.3.1. Dealer Registration	\$ 8,430	\$ 8,430
A.4.1. Inspect Dealer Records	\$ 157,100	\$ 255,200
B.1.1. Indirect Administration and Support Costs	\$ 9,000	\$ 9,000

Also contingent on the State Securities Board meeting the above revenue target, the “Number of Full-time Equivalent Positions (FTE)” figure indicated above is hereby increased by 6.5 in fiscal year 2002 and 10 in fiscal year 2003. Three of these FTEs shall be used to open an enforcement office in San Antonio and none of the additional FTEs shall be permanently located in Austin.

2. **Donations for Personal Financial Literacy Educational Materials.** The State Securities Board is hereby authorized to accept and expend donations from nonprofit foundations for the sole purpose of reproducing and distributing educational materials relating to “personal financial literacy” and introducing those materials to classroom teachers in Texas schools.
3. **Sunset Contingency.** Funds appropriated above for fiscal year 2003 for the State Securities Board are made contingent on the continuation of the State Securities Board by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

BOARD OF TAX PROFESSIONAL EXAMINERS

	For the Years Ending	
	August 31,	August 31,
	2002	2003

Out of the General Revenue Fund:

A. Goal: ESTABLISH AND OVERSEE PROCESS

To ensure the State is served by qualified, certified and ethical property tax professionals.

Outcome (Results/Impact):

Percent of Licensees with No Recent Violations	99%	99%
Percent of Complaints Resulting in Disciplinary Action	20%	20%

A.1.1. Strategy: CERTIFICATION PROGRAM

\$ 137,898	\$ 137,898
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Manage a certification program by conducting exams, registering eligible individuals, administering a continuing education program and distributing information to local officials and registrants.

Output (Volume):

Number of Persons Certified/Recertified	475	475
Number of New Licenses Issued to Individuals	300	300

Efficiencies:

Average Licensing Cost Per Individual License Issued	34	34
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A.2.1. Strategy: ADJUDICATION

\$ 3,137	\$ 3,137
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Provide registrants with guidance to thoroughly familiarize them with board rules on ethics and

BOARD OF TAX PROFESSIONAL EXAMINERS  
(Continued)

process questions and complaints quickly in compliance with the law and rules.

Output (Volume):

Number of Complaints Resolved 9 9

Total, Goal A: ESTABLISH AND OVERSEE PROCESS \$ 141,035 \$ 141,035

B. Goal: QUALITY EDUCATION

To ensure that quality property tax education courses are available to registrants and that course sponsors and instructors meet board standards.

Outcome (Results/Impact):

Number of Approved Courses Presented 115 115

B.1.1. Strategy: EDUCATION \$ 15,046 \$ 15,046

Oversee the education program of tax professionals by contracting for course development, reviewing and approving courses, enforcing standards for sponsors and instructors and conducting a student-based evaluation program.

Output (Volume):

Number of Course, Sponsor and Instructor Applications Processed 20 20

Grand Total, BOARD OF TAX PROFESSIONAL EXAMINERS \$ 156,081 \$ 156,081

Other Direct and Indirect Costs Appropriated Elsewhere in this Act \$ 72,153 \$ 75,340

Number of Full-Time-Equivalent Positions (FTE): 4.0 4.0

Schedule of Exempt Positions:

Executive Director, Group 1 \$52,000 \$52,000

1. Fees Established. To provide for the recovery of costs for the preceding appropriations, the following fee rates shall be in effect for fiscal years 2002 and 2003, pursuant to provisions of VTCA, Government Code § 316.041-316.045:

(1) Registration Fee Not Less Than \$45 or More Than \$75  
(2) Annual Renewal Fee Not Less Than \$45 or More Than \$75

PUBLIC UTILITY COMMISSION OF TEXAS

For the Years Ending  
August 31, August 31,  
2002 2003

A. Goal: COMPETITION/CHOICE/RATES/SERVICE

To ensure fair competition, customer choice, just and reasonable rates, system reliability, a high level of service quality, and technological advancement in the electric and telecommunications industries.

Outcome (Results/Impact):

Average Annual Residential Telephone Bill in Texas as a Percentage of the National Average 70.4% 71.5%

Average Cost of Electricity Per kWh in Texas for

PUBLIC UTILITY COMMISSION OF TEXAS  
(Continued)

Residential Customers as a Percentage of the National Residential Average	92%	91%
Average Annual Residential Electric Bill as a Percent of the National Average	127%	126%
Percentage of Telephone Subscriber Lines in Texas Served by Digital Switches	70%	70%
Percent of Texas Cities Served by Three or More Certificated Telecommunication Providers	83%	84%
<b>A.1.1. Strategy:</b> CASES AND ALT DISPUTE RESOLUTION		
Conduct rate, fuel related, and depreciation cases using the Administrative Procedures Act and forms of alternative dispute resolution such that revenue requirements, cost allocation, rate design, affiliate transactions, and competitive issues in the electric and telecommunications industries are evaluated for reasonableness and compliance with all laws and commission rules; register and license service providers; evaluate utility service offerings.	\$ 5,413,375	\$ 5,346,559
<b>Output (Volume):</b>		
Number of Rate Cases Completed	20	20
Number of Non-rate Cases Completed	925	925
<b>Efficiencies:</b>		
Average Number of Days to Complete Major Electric Rate Cases	240	240
<b>Explanatory:</b>		
Percent of Statewide Capacity above Peak Demand	10%	10%
<b>A.1.2. Strategy:</b> DEVELOP RULES AND REPORTS	\$ 3,122,848	\$ 3,046,821
Develop rules, conduct studies and prepare reports responsive to changes in electric and telecommunications markets.		
<b>Output (Volume):</b>		
Number of New or Modified Rules Adopted	86	86
<b>Total, Goal A:</b> COMPETITION/CHOICE/RATES/SERVICE	\$ 8,536,223	\$ 8,393,380

**B. Goal:** EDUCATION AND COMPLIANCE  
To serve the public by distributing customer education information, administering customer service programs, ensuring compliance with relevant laws and regulations governing provision of reliable high quality electric and telecommunications services, and assisting customers in resolving disputes concerning electric and telecommunications services.

<b>Outcome (Results/Impact):</b>		
Percentage of Customer Complaints Resolved through Informal Complaint Resolution Process	97%	97%
<b>B.1.1. Strategy:</b> PROVIDE INFO ABOUT CHANGES	\$ 1,322,500	\$ 1,364,343
Provide information and distribute materials to customers on changes in the electric and telecommunications industries. Respond to requests for information from the public and media. Conduct outreach activities, administer Relay Texas and the Specialized Telecommunications Assistance Program (STAP) responsibilities.		
<b>Output (Volume):</b>		
Number of Information Requests to Which Responses Were Provided	78,000	78,000
<b>Explanatory:</b>		
Number of Calls Completed through Relay Texas	5,177,139	5,332,453

PUBLIC UTILITY COMMISSION OF TEXAS  
(Continued)

<b>B.2.1. Strategy:</b> INVESTIGATIONS AND ENFORCEMENT	\$ 1,574,099	\$ 1,715,944
Conduct investigations and initiate enforcement actions to ensure compliance with relevant law, Public Utility Commission rules and orders.		
Investigate emerging issues based on customer complaints.		
<b>Output (Volume):</b>		
Number of Utilities for Which a Detailed Review of Earnings Is Conducted	104	104
Number of Compliance Investigations Conducted	90	90
Number of Customer Complaints Concluded	16,500	18,500
<b>Efficiencies:</b>		
Average Number of Days to Conclude Customer Complaints	55	55
<b>Total, Goal B:</b> EDUCATION AND COMPLIANCE	\$ 2,896,599	\$ 3,080,287
<b>C. Goal:</b> ELECTRIC UTILITY RESTRUCTURING		
Electric utility restructuring (nontransferable).		
<b>Outcome (Results/Impact):</b>		
Percentage Change in Customer Knowledge Resulting from the Education Campaign for Electric Competition Choices and Resources	18%	28%
Percent of Eligible Low-income Customers Served	40%	70%
<b>C.1.1. Strategy:</b> ENERGY ASSISTANCE	\$ 97,083,960	\$ 135,957,827
Energy assistance (nontransferable).		
<b>Efficiencies:</b>		
Average Number of Days for Retail Electric Provider Reimbursement	5	5
<b>C.1.2. Strategy:</b> CONSUMER EDUCATION	\$ 12,000,000	\$ 6,000,000
Customer education (nontransferable).		
<b>Output (Volume):</b>		
Number of TV and Radio Announcements Prepared	4	4
<b>C.1.3. Strategy:</b> PROPERTY VALUE DECLINE PMT/TRANSFER	\$ 27,191,339	\$ 7,259,546
Property value decline payment and transfer (nontransferable).		
<b>Total, Goal C:</b> ELECTRIC UTILITY RESTRUCTURING	\$ 136,275,299	\$ 149,217,373
<b>D. Goal:</b> INDIRECT ADMINISTRATION		
<b>D.1.1. Strategy:</b> CENTRAL ADMINISTRATION	\$ 894,633	\$ 851,904
<b>D.1.2. Strategy:</b> INFORMATION RESOURCES	\$ 563,373	\$ 564,738
<b>D.1.3. Strategy:</b> OTHER SUPPORT SERVICES	\$ 216,747	\$ 217,266
<b>Total, Goal D:</b> INDIRECT ADMINISTRATION	\$ 1,674,753	\$ 1,633,908
<b>Grand Total,</b> PUBLIC UTILITY COMMISSION OF TEXAS	\$ 149,382,874	\$ 162,324,948
<b>Method of Financing:</b>		
General Revenue Fund	\$ 11,756,732	\$ 11,756,732
General Revenue (System Benefit Fund), estimated	137,151,142	150,093,216
Subtotal, General Revenue Fund	\$ 148,907,874	\$ 161,849,948
Appropriated Receipts	475,000	475,000
<b>Total, Method of Financing</b>	\$ 149,382,874	\$ 162,324,948
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	242.0	242.0

PUBLIC UTILITY COMMISSION OF TEXAS  
(Continued)

Schedule of Exempt Positions:

Commissioners, Group 4	\$107,500	\$107,500
Commissioners, Group 4	(2) 105,000	(2) 105,000
Executive Director, Group 4	92,000	92,000

Supplemental Appropriations Made in Riders: \$ (711,938) \$ (711,938)

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budget funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

	<u>2002</u>	<u>2003</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Desktop Computer Lease	143,073	166,667
(2) Digital Copiers Lease	216,000	216,000
(3) Microsoft Open License Software Lease (MS Office 2000, MS SQL, MS Back Office, MS Exchange)	<u>\$ 70,000</u>	<u>\$ 70,000</u>
Total, Acquisition of Information Resource Technologies	<u>\$ 429,073</u>	<u>\$ 452,667</u>
Total, Capital Budget	<u><u>\$ 429,073</u></u>	<u><u>\$ 452,667</u></u>

2. **Appropriation of Receipts, Electronic Information System.** Out of Appropriated Receipts appropriated above, \$80,000 each year from fee revenue derived from implementation of an electronic information system for public access to records on file with the agency may be used only for operating lease payments; and for service agreements limited to PUC interchange support.
3. **Reimbursement of Advisory Committee Members.** Pursuant to VTCS, Government Code § 2110.004 and out of funds appropriated above, reimbursement of expenses for advisory committee members is limited to the following advisory committee: Relay Texas Advisory Committee.
4. **Transfer Authority.** The Public Utility Commission is authorized to transfer appropriations from one item to another in amounts not to exceed 35 percent of the item from which the transfer is made for the fiscal year. The Public Utility Commission has no authority to transfer an appropriation to or from any item under Goal C: Electric Utility Restructuring, and may not expend amounts above those appropriated above in each strategy of Goal C: Electric Utility Restructuring, except for transfers from C.1.3. Strategy: Property Value Decline Pmt/Transfer to the Texas Education Agency for the Foundation School Program pursuant to Utilities Code § 39.901.

PUBLIC UTILITY COMMISSION OF TEXAS  
(Continued)

5. **General Revenue (System Benefit Fund) Reporting.** The Public Utility Commission shall submit a quarterly report to the Legislative Budget Board and the Governor on revenues and expenditures made from the General Revenue (System Benefit Fund). The report shall be submitted with documentation as specified by the Legislative Budget Board and the Governor.
6. **Appropriation of 2002 Appropriations.** The unobligated and unexpended balances of appropriations to the Public Utility Commission for the fiscal year ending August 31, 2002, are hereby appropriated to the commission for the same purposes for the fiscal year ending August 31, 2003.
7. **Contract with the State Office of Administrative Hearings.** Appropriations above include \$711,938 in fiscal year 2002 and \$711,938 in fiscal year 2003 to cover the cost of contracting with the State Office of Administrative Hearings for funding the Public Utility Division for the purpose of conducting administrative hearings and for related expenses. The Public Utility Commission and the State Office of Administrative Hearings may not enter into a contract for an amount less than the amounts specified herein. If the State Office of Administrative Hearings determines, at the end of each fiscal year, that the amount paid under the contract exceeds the necessary funding, it shall refund the difference to the Public Utility Commission. If the State Office of Administrative Hearings determines that the amounts are insufficient to fund the division, the State Office of Administrative Hearings may enter into negotiations with Public Utility Commission in order to renegotiate the interagency contract to provide additional funds for administrative hearings. The State Office of Administrative Hearings is not appropriated any state funds from such renegotiated contracts until it gives written notice to the Legislative Budget Board and the Governor together with written permission of the agency.
8. **Contingent Revenue.** Of the amounts appropriated to the Public Utility Commission from the General Revenue (System Benefit Fund), the estimated amounts of \$137,151,142 in fiscal year 2002 and \$150,093,216 in fiscal year 2003 are contingent on the Public Utility Commission assessing a rate sufficient to generate the estimated needs of the System Benefit Fund. The Public Utility Commission, upon completion of necessary actions for the assessment, shall furnish copies of the Public Utility Commission's order and other information supporting the estimated revenues to be generated for the 2002-03 biennium to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.
9. **Allocation of System Benefit Fund.** The System Benefit Fund, calculated at the maximum statutory assessment rate estimated to be \$144,617,875 in fiscal year 2002 and \$161,098,949 in fiscal year 2003, has been allocated throughout this Act as follows:

	2002	2003
Public Utility Commission:		
Administration	\$ 875,843	\$ 875,843
10 Percent Low Income Discount	97,083,960	135,957,827
Customer Education	12,000,000	6,000,000
Transfer to Texas Education Agency for Foundation School Program	27,191,339	7,259,546
Office of Public Utility Counsel:		
Administration	\$ 288,733	\$ 238,733

PUBLIC UTILITY COMMISSION OF TEXAS  
(Continued)

Texas Department of Housing and Community Affairs: Weatherization Program	\$ 7,178,000	\$ 10,767,000
Total	\$ 144,617,875	\$ 161,098,949

10. **Contingent Appropriation for House Bill 1618.** Contingent upon the enactment of House Bill 1618, or similar legislation that would assess an additional fee on drivers license reinstatements, Rider 7, Contract with the State Office of Administrative Hearings, above shall be considered struck and does not take effect. Out of the amounts appropriated above in Strategy A.1.1, Cases and Alternative Dispute Resolution, \$711,938 in fiscal year 2002 and \$711,938 in fiscal year 2003 of General Revenue shall be transferred from the Public Utility Commission to the State Office of Administrative Hearings for use in Strategy A.1.1, Conduct Hearings.

OFFICE OF PUBLIC UTILITY COUNSEL

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal: EQUITABLE ELECTRIC RATES</b>		
To represent residential and small business consumers aggressively in electric utility matters to ensure that residential and small commercial customers benefit from competition and are protected during the transition to a more competitive market.		
<b>Outcome (Results/Impact):</b>		
Percentage of OPUC Electric Proceedings That Are Competition Related	50%	50%
<b>A.1.1. Strategy:</b> PARTICIPATION IN PROCEEDINGS Participate in electric proceedings involving competitive and customer protection issues or impacting consumer’s bills.	\$ 1,297,126	\$ 1,247,126
<b>Output (Volume):</b>		
Number of Electric Cases in Which OPUC Participates	53	45
Number of Electric Projects in Which OPUC Participates	20	15
<b>Efficiencies:</b>		
Average Cost Per Electric Proceeding in Which OPUC Participates	12,000	12,000
<b>B. Goal: TELEPHONE COMPETITION</b>		
To represent residential and small business consumers aggressively by providing comprehensive telecommunications analysis and representation at the Public Utility Commission, the FCC, and in state and federal courts to ensure that residential and small commercial consumers benefit from competition and are protected during the transition to a more competitive market.		
<b>Outcome (Results/Impact):</b>		
Percentage of OPUC Telecommunications Proceedings That Are Competition Related	65%	65%
<b>B.1.1. Strategy:</b> TELECOMMUNICATIONS PROCEEDINGS Participate in telecommunications proceedings involving competitive issues/consumer safeguards or new and/or advanced technologies and services. Review and analyze information, present testimony, and submit legal pleadings in proceedings affecting residential and small business telecommunications customers.	\$ 672,395	\$ 672,395



OFFICE OF PUBLIC UTILITY COUNSEL  
(Continued)

<b>Output (Volume):</b>		
Number of Telecommunications Cases in Which OPUC Participates	15	15
Number of Telecommunications Projects in Which OPUC Participates	32	32
<b>Efficiencies:</b>		
Average Cost Per Telecommunications Proceeding in Which OPUC Participates	4,000	4,000
<b>Grand Total, OFFICE OF PUBLIC UTILITY COUNSEL</b>	<u><u>\$ 1,969,521</u></u>	<u><u>\$ 1,919,521</u></u>
<b>Method of Financing:</b>		
General Revenue Fund	\$ 1,680,788	\$ 1,680,788
General Revenue (System Benefit Fund)	<u>288,733</u>	<u>238,733</u>
<b>Total, Method of Financing</b>	<u><u>\$ 1,969,521</u></u>	<u><u>\$ 1,919,521</u></u>
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	26.0	26.0
<b>Schedule of Exempt Positions:</b>		
Public Counsel, Group 2	\$83,000	\$83,000

1. **Unexpended Balance Authority.** The unobligated and unexpended balances of appropriations to the Office of Public Utility Counsel for the fiscal year ending August 31, 2002, are hereby appropriated to the agency for the same purposes for the fiscal year ending August 31, 2003.
2. **Contingent Revenue.** Of the amounts appropriated above to the Office of Public Utility Counsel from General Revenue (System Benefit Fund), the amounts of \$288,733 in fiscal year 2002 and \$238,733 in fiscal year 2003 are contingent on the Public Utility Commission assessing a rate sufficient to generate the estimated needs of the System Benefit Fund. The Public Utility Commission, upon completion of necessary actions for assessment, shall furnish copies of the Public Utility Commission’s order and other information supporting the estimated revenues to be generated for the 2002–03 biennium to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

BOARD OF VETERINARY MEDICAL EXAMINERS

		For the Years Ending	
		August 31,	August 31,
		<u>2002</u>	<u>2003</u>
<b>A. Goal: VETERINARY REGULATION</b>			
To establish and implement reasonable standards for veterinary practice, investigate complaints, and enforce Chapter 801, Texas Occupations Code to assure that safe and effective veterinary services are delivered to the citizens of Texas.			
<b>Outcome (Results/Impact):</b>			
Percentage of Licensees with No Recent Violations		99%	99%
Percentage of Complaints Resolved Resulting in Disciplinary Action		11%	11%
Recidivism Rate for Peer Assistance Programs		33%	20%
<b>A.1.1. Strategy: OPERATE LICENSURE SYSTEM</b>	\$	161,440	\$ 169,433
Operate an efficient and comprehensive			

BOARD OF VETERINARY MEDICAL EXAMINERS  
(Continued)

veterinary licensure program to include initial licensure by examination and the ongoing renewal of licenses.

Output (Volume):

Number of New Licenses Issued to Individuals	271	276
Number of Individual Licenses Renewed	6,114	6,264

Efficiencies:

Average Licensing Cost Per Individual License Issued	5.08	4.97
A.2.1. Strategy: COMPLAINTS AND ACTION	\$ 408,288	\$ 408,073

Investigate all complaints received and take disciplinary action against veterinarians who have violated the law and/or board rules and conduct a compliance program to secure voluntary compliance with the law and board rules.

Output (Volume):

Number of Complaints Resolved	214	214
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Efficiencies:

Average Time for Complaint Resolution	140	140
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Explanatory:

Number of Jurisdictional Complaints Received	214	214
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A.2.2. Strategy: PEER ASSISTANCE	\$ 20,810	\$ 21,260
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Identify, refer and assist those veterinarians whose practice is impaired.

Output (Volume):

Number of Individuals Participating in a Peer Assistance Program	12	12
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Total, Goal A: VETERINARY REGULATION	\$ 590,538	\$ 598,766
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Grand Total, BOARD OF VETERINARY MEDICAL EXAMINERS	\$ 590,538	\$ 598,766
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Method of Financing:

General Revenue Fund	\$ 590,038	\$ 598,266
Appropriated Receipts	500	500

Total, Method of Financing	\$ 590,538	\$ 598,766
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Other Direct and Indirect Costs Appropriated Elsewhere in this Act

\$ 166,432	\$ 171,175
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Number of Full-Time-Equivalent Positions (FTE):	10.3	10.3
Number of FTEs in Riders:	0.5	0.5

Schedule of Exempt Positions:

Executive Director, Group 1	\$60,000	\$60,000
Per Diem of Board Members	8,500	8,500

1. **Appropriation: Peer Assistance Program Penalties.** The amounts appropriated above in A.2.2. Strategy: PEER ASSISTANCE include \$3,500 per year from all administrative penalties generated pursuant to Tex. OCC Code Ann. § 801.1413 (Vernon 2000) Any additional penalties are hereby appropriated to the Board of Veterinary Medical Examiners for the purpose of financing the Peer Assistance program, as defined in the VTCA, Health and Safety Code, Chapter 467.
2. **Contingent Revenue.** Of the amounts appropriated above to the Texas Board of Veterinary Medical Examiners in Strategy A.1.1, Operate Licensure System, the amount of \$31,993 in fiscal year 2002 and the amount of \$32,753 in fiscal year 2003 is contingent on the Texas Board

BOARD OF VETERINARY MEDICAL EXAMINERS  
(Continued)

of Veterinary Medical Examiners assessing fees sufficient to generate, during the 2002–03 biennium, \$82,391 in excess of \$1,724,000 (Object Code 3175), contained in the Comptroller of Public Accounts’ Biennial Revenue Estimate for fiscal years 2002 and 2003. Also contingent on the Board of Veterinary Medical Examiners meeting the above revenue target, the “Number of Full-time Equivalent Positions (FTE)” figure indicated above is hereby increased by .5 in fiscal year 2002 and .5 in fiscal year 2003. The Board of Veterinary Medical Examiners, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the board meeting minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for an Information Technology, Systems Analyst I Full-time Position to be shared with the Texas Optometry Board and the Texas Health Professions Council.

WORKERS’ COMPENSATION COMMISSION

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal: SAFE AND HEALTHY WORK PLACES</b>		
To promote safe and healthy workplaces.		
<b>Outcome (Results/Impact):</b>		
Statewide Incidence Rate of Injuries and Illnesses Per 100		
Full-time Employees		
<b>A.1.1. Strategy:</b> HEALTH AND SAFETY SERVICES		
\$ 4,589,979 \$ 4,631,244		
Develop and provide health and safety services such as needs analyses, education, consultations, investigations and inspections to employers, to employees, academic institutions, and to other entities in the Texas workplace.		
<b>Output (Volume):</b>		
Number of Inspections, Consultations and Investigations		
Provided to Employers	3,670	3,670
<b>Efficiencies:</b>		
Average Cost Per Consultation/Inspection/Investigation	700	700
<b>B. Goal: BENEFITS AND DELIVERY</b>		
To ensure the delivery of appropriate benefits.		
<b>Outcome (Results/Impact):</b>		
Average Number of Days for the Required Initial Benefit Payment to Be Issued after Benefits Begin to Accrue	9	8.5
Percentage of Documents Received and Maintained Electronically by the Commission	59%	77%
<b>B.1.1. Strategy:</b> MEDICAL COST CONTAINMENT		
\$ 1,634,446 \$ 1,653,035		
Establish and maintain rules, guidelines, and programs that ensure appropriate utilization of medical services.		
<b>Output (Volume):</b>		
Number of Health Care Audits Completed	48	48
<b>B.2.1. Strategy:</b> INVESTIGATIONS/COMPLIANCE		
\$ 2,133,600 \$ 2,162,651		
Monitor and enforce compliance of health care providers, insurance carriers, employees, employers, attorneys, and other participants		

WORKERS’ COMPENSATION COMMISSION  
(Continued)

with the statute and rules through audits, criminal investigations and administrative violation referrals and take appropriate enforcement action.

<b>Output (Volume):</b>		
Number of Fraud Investigations Completed	573	573
<b>B.3.1. Strategy:</b> PROCESS CLAIM FILES	\$ 9,224,376	\$ 9,276,611
Establish and maintain injured worker claim files and develop and implement processes to receive and maintain documents in an electronic format.		
<b>Output (Volume):</b>		
Number of Injury Records Created	207,737	209,814
Number of Injury Records Created for Income/Indemnity Injuries	111,670	112,790
<b>Explanatory:</b>		
Estimated Percentage of Employers Reported Participating In the Workers’ Compensation System		
	60%	60%
<b>B.4.1. Strategy:</b> REGULATE SELF-INSURANCE	\$ 662,893	\$ 669,090
Ensure that certified self-insuring employers meet statutory financial, claims administration, and safety requirements through an ongoing process of qualifying, renewing, and revoking certification.		
<b>Output (Volume):</b>		
Number of Self-insurance Applicants or Renewals Certified	56	57
<b>Total, Goal B:</b> BENEFITS AND DELIVERY	\$ 13,655,315	\$ 13,761,387

C. Goal: DISPUTE RESOLUTION

To minimize and resolve disputes.

<b>Outcome (Results/Impact):</b>		
Percentage of Benefit Dispute Cases Resolved by the Commission’s Informal Dispute Resolution System	90%	91%
Percentage of Medical Benefit Dispute Cases Resolved in the Informal System	95%	96%
Average Number of Days to Resolve Benefit Dispute	31.5	31
<b>C.1.1. Strategy:</b> INFORMAL RESOLUTION	\$ 8,346,181	\$ 8,394,100
Provide injured workers and employers with information about their rights and responsibilities, resolve disputes by talking with the participants, and conduct compensation benefit review conferences.		
<b>Output (Volume):</b>		
Number of Compensation Benefit Dispute Cases Concluded in Benefit Review Conference	20,700	21,500
<b>Efficiencies:</b>		
Average Number of Days from the Request for Benefit Review Conference to the Conclusion of the Benefit Review Conference		
	62	60
Average Number of Days to Complete Medical Dispute Cases	25	25
<b>C.1.2. Strategy:</b> FORMAL RESOLUTION	\$ 5,835,539	\$ 5,874,698
Conduct benefit contested case hearings, conduct reviews when participants appeal decisions made by benefit contested case hearings officers, and provide arbitration; and process hearings under the Administrative Procedure Act.		
<b>Output (Volume):</b>		
Number of Compensation Benefit Dispute Cases Concluded in Contested Case Hearings	6,800	6,900

WORKERS’ COMPENSATION COMMISSION  
(Continued)

<b>Efficiencies:</b>		
Average Number of Days from the Request for a Contested Case Hearing to the Distribution of the Decision	73	71
<b>Total, Goal C: DISPUTE RESOLUTION</b>	<b>\$ 14,181,720</b>	<b>\$ 14,268,798</b>
<b>D. Goal: INDIRECT ADMINISTRATION</b>		
<b>D.1.1. Strategy: CENTRAL ADMINISTRATION</b>	<b>\$ 4,390,474</b>	<b>\$ 4,461,731</b>
<b>D.1.2. Strategy: INFORMATION RESOURCES</b>	<b>\$ 10,850,309</b>	<b>\$ 9,839,880</b>
<b>D.1.3. Strategy: OTHER SUPPORT SERVICES</b>	<b>\$ 1,272,089</b>	<b>\$ 1,284,481</b>
<b>D.1.4. Strategy: REGIONAL ADMINISTRATION</b>	<b>\$ 736,337</b>	<b>\$ 736,922</b>
<b>Total, Goal D: INDIRECT ADMINISTRATION</b>	<b>\$ 17,249,209</b>	<b>\$ 16,323,014</b>
<b>Grand Total, WORKERS' COMPENSATION COMMISSION</b>	<b>\$ 49,676,223</b>	<b>\$ 48,984,443</b>
<b>Method of Financing:</b>		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 46,304,209	\$ 45,612,427
Earned Federal Funds	224,406	224,407
Subtotal, General Revenue Fund	<b>\$ 46,528,615</b>	<b>\$ 45,836,834</b>
Federal Funds	1,806,871	1,806,871
<u>Other Funds</u>		
Appropriated Receipts	1,324,737	1,324,738
Interagency Contracts	16,000	16,000
Subtotal, Other Funds	<b>\$ 1,340,737</b>	<b>\$ 1,340,738</b>
<b>Total, Method of Financing</b>	<b>\$ 49,676,223</b>	<b>\$ 48,984,443</b>
<b>Number of Full-Time-Equivalent Positions (FTE):</b>	<b>1,128.0</b>	<b>1,128.0</b>
<b>Schedule of Exempt Positions:</b>		
Executive Director, Group 4	\$112,000	\$112,000

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for “Lease Payments to Master Lease Purchase Program” or for items with an “(MLPP)” notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under “Acquisition of Information Resource Technologies” may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.

**WORKERS' COMPENSATION COMMISSION**  
(Continued)

	<u>2002</u>	<u>2003</u>
Out of the General Revenue Fund:		
a. Acquisition of Information Resource Technologies		
(1) Mailer/Inserter System Replacement	\$ 123,380	\$ 0
(2) LAN/Telecommunication Upgrades	169,000	206,000
(3) Call Center	211,979	0
(4) Desktop Computers	1,227,200	1,227,200
(5) Business Process Improvement	3,560,000	UB
 Total, Acquisition of Information Resource Technologies	 \$ 5,291,559	 \$ 1,433,200
 Total, Capital Budget	 <u>\$ 5,291,559</u>	 <u>\$ 1,433,200</u>
2. <b>Appropriation of Certain Fees.</b> Revenues collected by the commission as reproduction fees, third party reimbursements, seminar fees, publication fees, and fees collected for audits, inspections, and consultations are hereby appropriated to the Workers' Compensation Commission for the biennium beginning September 1, 2001.		
3. <b>Administrative Penalties.</b> The amounts appropriated above in Strategy B.2.1, Investigations/Compliance, include \$100,000 each year from revenues collected by the commission as administrative penalties provided that expenditure of such funds appropriated above shall be limited to such expenses as may be necessary to prosecute administrative violations under the Texas Workers' Compensation Act, including costs of conducting Administrative Procedure Act hearings.		
4. <b>Appropriations Limited to Revenue Collections.</b> It is the intent of the Legislature that revenues as authorized and generated by the commission cover, at a minimum, the cost of general revenue appropriations made above, as well as covering "other direct and indirect costs" associated with such general revenue appropriations. "Other direct and indirect costs" associated with such general revenue appropriations are estimated to be \$10,941,986 for fiscal year 2002 and \$11,492,075 for fiscal year 2003. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available. The application of this provision shall be consistent with applicable statutory provisions governing the commission's assessment of tax rates and fees. When the commission sets the rate of assessment for the maintenance tax, it shall take into account a surplus or deficit produced by the tax in the preceding year and other factors as provided by § 403.003, Labor Code, Rate of Assessment.		
5. <b>Appropriation of Unexpended Balances.</b> Any unexpended balances as of August 31, 2002, not to exceed 5 percent for any line item of appropriation, are hereby appropriated to the Texas Workers' Compensation Commission for the same purposes for the year beginning September 1, 2002.		
* 6. <b>Contingent Revenue.</b> Of the amounts appropriated above to the Texas Workers' Compensation Commission, the amount of \$11,632 in Strategy C.1.1, Informal Resolution in fiscal year 2002 and fiscal year 2003, the amount of \$11,632 in Strategy C.1.2, Formal Resolution, in fiscal year 2002 and fiscal year 2003 for salaries, and the amount of \$1,060,000 in fiscal year 2002 in Strategy D.1.2, Information Resources, is contingent on the Texas Workers' Compensation Commission assessing rates sufficient to generate, during the 2002-03 biennium, \$1,119,686 in excess of \$112,897,822 (Object Code 3175), contained in the		

\* Should read "(Object Code 3219)."

WORKERS' COMPENSATION COMMISSION  
(Continued)

Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Texas Workers' Compensation Commission upon completion of necessary actions to assess or increase such additional revenues, shall furnish copies of the Texas Workers' Compensation Commission's minutes and other information supporting the estimated revenues to be generated for the 2002–03 biennium to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

7. **Business Process Improvement.** Of the amounts appropriated above to the Texas Workers' Compensation Commission, an amount not to exceed \$3.56 million for the biennium shall be used for the Business Process Improvement Project expenditures. The unexpended balances for the Business Process Improvement Project for the fiscal year ending August 31, 2002, not to exceed \$3.56 million, are hereby appropriated to the agency for the same purposes for the fiscal year ending August 31, 2003.

RESEARCH AND OVERSIGHT COUNCIL ON WORKERS' COMPENSATION

For the Years Ending	
August 31,	August 31,
<u>2002</u>	<u>2003</u>

Out of the Research and Oversight Council on  
Workers' Compensation Fund Account No 5016:

A. Goal: STUDY AND MONITOR SYSTEM

To conduct factual, unbiased research and professional studies, monitor the agencies and entities involved in the workers' compensation system, develop sound policy recommendations regarding regulatory or legislative changes, provide information on workers' compensation to the general public and respond to constituents' needs for assistance.

Outcome (Results/Impact):

Percentage of Professional Studies Completed within Schedule	90%	90%
Number of Publications Produced	10	10

A.1.1. Strategy: CONDUCT PROFESSIONAL STUDIES	\$	688,222	\$	688,222
Determine research needed relating to the workers' compensation system; collect and analyze workers' compensation data; conduct research projects relating to workers' compensation; administer research contracts and manage research projects; and conduct professional studies.				

Output (Volume):

Number of Professional Studies Completed by the ROC	10	10
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Efficiencies:

Average Cost Per Professional Study Completed by the ROC	38,000	35,000
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A.1.2. Strategy: PROVIDE OVERSIGHT	\$	<u>267,651</u>	\$	<u>267,651</u>
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Provide oversight by reviewing and analyzing Texas workers' compensation agencies and entities; evaluate legislative recommendations made by workers' compensation agencies and entities; monitor workers' compensation-related meetings of boards, commissions and legislative committees with workers' compensation responsibilities; develop legislative and regulatory recommendations; provide the public

RESEARCH AND OVERSIGHT COUNCIL ON WORKERS' COMPENSATION  
(Continued)

with information pertaining to the workers' compensation system; distribute professional studies and publications; and respond to constituent requests for assistance.

**Output (Volume):**  
Number of Publications Distributed 20,000 23,000

**Total, Goal A:** STUDY AND MONITOR SYSTEM \$ 955,873 \$ 955,873

**Grand Total,** RESEARCH AND OVERSIGHT COUNCIL ON WORKERS' COMPENSATION \$ 955,873 \$ 955,873

**Other Direct and Indirect Costs Appropriated Elsewhere in this Act** \$ 163,702 \$ 169,638

**Number of Full-Time-Equivalent Positions (FTE):** 13.0 13.0

**Schedule of Exempt Positions:**  
Executive Director, Group 2 \$76,000 \$76,000

- 1. Appropriations Limited to Revenue Collections.** The application of special provisions limiting appropriations to revenue collections elsewhere in this Article shall be consistent with the application of § 404.003, Labor Code, relating to the Research and Oversight Council on Workers' Compensation Maintenance Tax, and other applicable statutory provisions governing support of the agency.
- 2. Contingent Revenue.** Of the amounts appropriated above to the Research and Oversight Council on Workers' Compensation in Strategy A.1.1, Conduct Professional Studies, the amount of \$237,500 in fiscal year 2002 and \$237,500 in fiscal year 2003 for the purpose of funding a Researcher V and participating in the Workers' Compensation Research Institute's Multi-State Comparison Study are contingent on the Research and Oversight Council on Workers' Compensation generating, during the 2002–03 biennium, \$504,694 in excess of \$1,628,000 (Object Code 3220), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Research and Oversight Council on Workers' Compensation, upon completion of necessary actions to increase such revenues, shall furnish information supporting the estimated revenues to be generated for the 2002–03 biennium to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.
- 3. Researcher V.** Of the amounts appropriated above in Strategy A.1.1, Conduct Professional Studies, the amount of \$52,500 in fiscal year 2002 and \$52,500 in fiscal year 2003 are contingent upon the Research and Oversight Council on Workers' Compensation hiring a Researcher V to fill one of the vacant Researcher V positions.



RETIREMENT AND GROUP INSURANCE

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal:</b> EMPLOYEES RETIREMENT SYSTEM		
<b>A.1.1. Strategy:</b> RETIREMENT CONTRIBUTIONS	\$ 8,332,168	\$ 8,498,811
Provide an actuarially sound level of funding as defined by state law. Estimated.		
<b>A.1.2. Strategy:</b> GROUP INSURANCE	\$ 17,800,232	\$ 20,118,821
Provide a basic health care and life insurance program for general state employees. Estimated.		
<b>Total, Goal A:</b> EMPLOYEES RETIREMENT SYSTEM	\$ 26,132,400	\$ 28,617,632
<b>Grand Total,</b> RETIREMENT AND GROUP INSURANCE	\$ 26,132,400	\$ 28,617,632
<b>Method of Financing:</b>		
General Revenue Fund, estimated	\$ 16,854,637	\$ 18,462,410
General Revenue - Dedicated, estimated	8,970,613	9,841,312
Federal Funds, estimated	307,150	313,910
<b>Total, Method of Financing</b>	\$ 26,132,400	\$ 28,617,632

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending	
	August 31, 2002	August 31, 2003
<b>A. Goal:</b> SOCIAL SECURITY/BENEFIT REPLACEMENT		
To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
<b>A.1.1. Strategy:</b> STATE MATCH – EMPLOYER	\$ 10,320,791	\$ 10,527,207
Provide an employer match for Social Security contributions. Estimated.		
<b>A.1.2. Strategy:</b> BENEFIT REPLACEMENT PAY	\$ 1,997,919	\$ 1,853,369
Provide Benefit Replacement Pay to eligible employees. Estimated.		
<b>Total, Goal A:</b> SOCIAL SECURITY/BENEFIT REPLACEMENT	\$ 12,318,710	\$ 12,380,576
<b>Grand Total,</b> SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	\$ 12,318,710	\$ 12,380,576
<b>Method of Financing:</b>		
General Revenue Fund, estimated	\$ 8,005,112	\$ 8,054,247
General Revenue - Dedicated, estimated	4,188,859	4,208,340
Federal Funds, estimated	124,739	117,989
<b>Total, Method of Financing</b>	\$ 12,318,710	\$ 12,380,576

LEASE PAYMENTS

	For the Years Ending	
	August 31,	August 31,
	<u>2002</u>	<u>2003</u>
<b>A. Goal:</b> FINANCE CAPITAL PROJECTS		
To provide funding to the General Services Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
<b>A.1.1. Strategy:</b> LEASE PAYMENTS	\$ 5,421,033	\$ 5,397,566
Make lease payments to the Texas Public Finance Authority on facilities financed through the Texas Public Finance Authority.		
<b>Grand Total,</b> LEASE PAYMENTS	<u>\$ 5,421,033</u>	<u>\$ 5,397,566</u>
<b>Method of Financing:</b>		
General Revenue Fund	\$ 2,386,463	\$ 2,381,825
General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees	<u>3,034,570</u>	<u>3,015,741</u>
<b>Total, Method of Financing</b>	<u>\$ 5,421,033</u>	<u>\$ 5,397,566</u>

SPECIAL PROVISIONS RELATING  
TO ALL REGULATORY AGENCIES

Sec. 2. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by each of the following agencies cover, at a minimum, the cost of appropriations made above and elsewhere in this Act to those agencies as well as an amount equal to the amount identified in the informational item “Other Direct and Indirect Costs Appropriated Elsewhere in This Act”:

- Board of Public Accountancy
- Board of Architectural Examiners
- Board of Barber Examiners
- Board of Chiropractic Examiners
- Cosmetology Commission
- Credit Union Department
- Board of Dental Examiners
- Board of Registration for Professional Engineers
- Department of Banking
- Office of Consumer Credit Commissioner
- Savings and Loan Department
- Funeral Service Commission
- Department of Insurance
- Office of Public Insurance Counsel
- Board of Professional Land Surveying
- Department of Licensing and Regulation
- Board of Medical Examiners
- Board of Nurse Examiners
- Board of Vocational Nurse Examiners
- Optometry Board
- Structural Pest Control Board
- Board of Pharmacy
- Executive Council of Physical Therapy and Occupational Therapy Examiners
- Board of Plumbing Examiners
- Board of Podiatric Medical Examiners
- Board of Examiners of Psychologists
- Racing Commission
- Real Estate Commission
- Board of Tax Professional Examiners
- Board of Veterinary Medical Examiners
- Research and Oversight Council on Workers Compensation

In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board and Governor may direct that the Comptroller of Public Accounts reduce the appropriation authority provided by this Act to be within the amount of fee revenue expected to be available.

Sec. 3. **Funding for Health Professions Council.** An agency participating in the Health Professions Council shall transfer funds through interagency contract to the Health Professions Council from appropriations made to the agency elsewhere in this Act in order to carry out the functions required under Chapter 101, Occupation Code. The number of full-time-equivalent staff employed by the Council may not exceed three (3). Funds shall be transferred by the following participating agencies in the amounts noted below for each year of the 2002–03 biennium:

	<u>2002</u>	<u>2003</u>
Board of Chiropractic Examiners	\$ 3,563	\$ 3,882
Board of Dental Examiners	10,787	11,751

**SPECIAL PROVISIONS RELATING  
TO ALL REGULATORY AGENCIES**  
(Continued)

Board of Medical Examiners	26,839	29,239
Board of Nurse Examiners	17,964	19,570
Optometry Board	6,903	7,520
Board of Pharmacy	30,513	33,241
Executive Council of Physical and Occupational Therapy Examiners	6,659	7,254
Board of Podiatric Medical Examiners	2,405	2,620
Board of Examiners of Psychologists	8,936	9,735
Board of Veterinary Medical Examiners	8,492	9,251
Funeral Service Commission	2,100	2,100
Board of Vocational Nurse Examiners	12,485	13,600
	\$ 137,646	\$ 149,763

The Texas Department of Health also contributes \$14,909 in fiscal year 2002 and \$16,242 in fiscal year 2003 to the Health Professions Council.

Sec. 4. **Peer Assistance Program Funding Requirements.** Funds collected during the biennium beginning September 1, 2001, by the Board of Pharmacy pursuant to Chapter 564, Occupation Code, and by the Board of Nurse Examiners, the Board of Vocational Nurse Examiners, the Board of Dental Examiners, and the Board of Veterinary Medical Examiners pursuant to Chapter 467 of the Health and Safety Code, in order to administer or finance peer assistance programs for professionals impaired by chemical dependency or mental illness, are appropriated elsewhere in this Act as identified in each Board's peer assistance strategy. The expenditure of the appropriations identified by this section is hereby made contingent upon sufficient revenue collections from peer assistance surcharges or other receipts collected pursuant to Chapter 467 of the Health and Safety Code or Chapter 564, Occupation Code as appropriate. None of the appropriations identified by this section may be expended unless

1. each agency with a peer assistance program has on file the following current documents:
  - a. Request for Proposal documentation and contracts documenting that the respective agency governing board has a competitively bid contract with the peer assistance program;
  - b. documentation for programs authorized under Chapter 467 of the Health and Safety Code that the agency's peer assistance program has been certified by the Texas Commission on Alcohol and Drug Abuse (TCADA) as meeting all TCADA criteria for peer assistance programs;
  - c. documentation for programs authorized under Chapter 467 showing compliance with statutory requirements regarding eligible participants and conditions for which services may be offered; and
  - d. documentation that the program has been approved by the agency governing board.
2. by August 15, 2002, each agency with a peer assistance program has on file the following:
  - a. documentation of annual financial audits of the peer assistance program performed by the State Auditor, or by an outside entity subject to review by the State Auditor, to ensure compliance with contractual requirements.

Sec. 5. **Relocation.** It is the intent of the Legislature that any agency in Article VIII with a lease expiring in the Austin metropolitan area during the 2002–03 biennium explore the feasibility of relocating the leased facilities outside of the Austin metropolitan area. The agency shall conduct a cost benefit analysis concerning the possible relocation and report to the Legislature no later than two months before the term of the lease expires.

**RECAPITULATION - ARTICLE VIII  
REGULATORY  
(General Revenue)**

	For the Years Ending August 31, 2002	August 31, 2003
Board of Public Accountancy	\$ 2,917,734	\$ 3,241,454
State Office of Administrative Hearings	1,312,355	1,416,845
Contingency Appropriations	<u>1,103,058</u>	<u>874,058</u>
Total	2,415,413	2,290,903
Board of Architectural Examiners	1,553,616	1,475,238
Rider Appropriations	<u>290,000</u>	<u>100,000</u>
Total	1,843,616	1,575,238
Board of Barber Examiners	589,934	549,621
Board of Chiropractic Examiners	330,347	330,665
Cosmetology Commission	2,019,052	1,826,289
Credit Union Department	1,523,448	1,556,887
Contingency Appropriations	<u>120,000</u>	<u>192,000</u>
Total	1,643,448	1,748,887
Texas State Board of Dental Examiners	1,247,223	1,243,587
Board of Professional Engineers	1,623,600	1,623,600
Finance Commission of Texas	197,970	197,970
Department of Banking	10,145,123	10,126,901
Contingency Appropriations	<u>4,350,432</u>	<u>4,350,432</u>
Total	14,495,555	14,477,333
Office of Consumer Credit Commissioner	2,442,498	2,442,498
Savings and Loan Department	1,408,904	1,383,905
Contingency Appropriations	<u>512,500</u>	<u>739,100</u>
Total	1,921,404	2,123,005
Funeral Service Commission	862,441	527,127
Department of Insurance	30,483,799	32,414,530
Office of Public Insurance Counsel	1,198,426	1,198,426
Board of Professional Land Surveying	361,131	357,631
Department of Licensing and Regulation	7,084,139	6,445,664
Board of Medical Examiners	5,069,697	5,062,224
Board of Nurse Examiners	2,401,768	2,483,788
Board of Vocational Nurse Examiners	1,325,972	1,329,955
Optometry Board	321,465	327,829
Structural Pest Control Board	1,251,481	1,233,549
Executive Council of Physical Therapy & Occupational Therapy Examiners	769,865	770,462
Board of Plumbing Examiners	1,463,767	1,522,970
Board of Podiatric Medical Examiners	213,891	215,410
Board of Examiners of Psychologists	722,158	730,304
Real Estate Commission	4,115,203	4,095,613
Securities Board	4,276,988	4,422,027
Board of Tax Professional Examiners	156,081	156,081
Public Utility Commission of Texas	148,907,874	161,849,948
Contingency Appropriations	<u>(711,938)</u>	<u>(711,938)</u>
Total	148,195,936	161,138,010

**RECAPITULATION - ARTICLE VIII**  
**REGULATORY**  
**(General Revenue)**  
(Continued)

Office of Public Utility Counsel	1,969,521	1,919,521
Board of Veterinary Medical Examiners	590,038	598,266
Workers’ Compensation Commission	<u>46,528,615</u>	<u>45,836,834</u>
Subtotal, Regulatory	<u>\$ 293,050,176</u>	<u>\$ 306,457,271</u>
Retirement and Group Insurance	16,854,637	18,462,410
Social Security and Benefit Replacement Pay	<u>8,005,112</u>	<u>8,054,247</u>
Subtotal, Employee Benefits	<u>\$ 24,859,749</u>	<u>\$ 26,516,657</u>
Lease Payments	5,421,033	5,397,566
TOTAL, ARTICLE VIII - REGULATORY	<u><u>\$ 323,330,958</u></u>	<u><u>\$ 338,371,494</u></u>

RECAPITULATION - ARTICLE VIII  
REGULATORY  
(General Revenue - Dedicated)

	For the Years Ending	
	August 31, 2002	August 31, 2003
Cosmetology Commission, Rider Appropriations	70,000	0
Department of Insurance	\$ 18,275,659	\$ 16,344,928
Board of Pharmacy	2,713,431	2,707,200
Racing Commission	10,627,320	10,603,019
Rider Appropriations	<u>600,000</u>	<u>600,000</u>
Total	11,227,320	11,203,019
Real Estate Commission	95,700	119,000
Research and Oversight Council on Workers' Compensation	<u>955,873</u>	<u>955,873</u>
Subtotal, Regulatory	\$ <u>33,337,983</u>	\$ <u>31,330,020</u>
Retirement and Group Insurance	8,970,613	9,841,312
Social Security and Benefit Replacement Pay	<u>4,188,859</u>	<u>4,208,340</u>
Subtotal, Employee Benefits	\$ <u>13,159,472</u>	\$ <u>14,049,652</u>
TOTAL, ARTICLE VIII - REGULATORY	<u>\$ 46,497,455</u>	<u>\$ 45,379,672</u>

RECAPITULATION - ARTICLE VIII  
REGULATORY  
(Federal Funds)

	For the Years Ending	
	August 31, 2002	August 31, 2003
	<u>2002</u>	<u>2003</u>
Department of Banking	\$ 75,000	\$ 75,000
Structural Pest Control Board	100,000	100,000
Workers' Compensation Commission	<u>1,806,871</u>	<u>1,806,871</u>
Subtotal, Regulatory	<u>\$ 1,981,871</u>	<u>\$ 1,981,871</u>
Retirement and Group Insurance	307,150	313,910
Social Security and Benefit Replacement Pay	<u>124,739</u>	<u>117,989</u>
Subtotal, Employee Benefits	<u>\$ 431,889</u>	<u>\$ 431,899</u>
TOTAL, ARTICLE VIII - REGULATORY	<u><u>\$ 2,413,760</u></u>	<u><u>\$ 2,413,770</u></u>



**RECAPITULATION - ARTICLE VIII  
REGULATORY  
(Other Funds)**

	For the Years Ending	
	August 31, 2002	August 31, 2003
Board of Public Accountancy	\$ 55,000	\$ 55,000
State Office of Administrative Hearings	4,777,597	4,728,127
Contingency Appropriations	<u>(856,538)</u>	<u>(856,538)</u>
Total	3,921,059	3,871,589
Board of Architectural Examiners	6,895	7,220
Board of Chiropractic Examiners	13,007	13,007
Cosmetology Commission	330,766	210,000
Texas State Board of Dental Examiners	137,555	137,556
Board of Professional Engineers	8,700	8,700
Department of Banking	30,000	30,000
Rider Appropriations	<u>5,000</u>	<u>5,000</u>
Total	35,000	35,000
Savings and Loan Department	600	600
Funeral Service Commission	5,000	5,000
Department of Insurance	486,814	486,814
Department of Licensing and Regulation	111,962	110,962
Board of Medical Examiners	180,000	180,000
Board of Nurse Examiners	643,000	643,000
Board of Vocational Nurse Examiners	33,100	28,100
Optometry Board	33,824	33,824
Board of Pharmacy	107,533	66,126
Executive Council of Physical Therapy & Occupational Therapy Examiners	25,000	25,000
Board of Plumbing Examiners	17,000	17,000
Board of Podiatric Medical Examiners	1,000	1,000
Board of Examiners of Psychologists	65,800	65,800
Real Estate Commission	192,000	192,000
Securities Board	7,000	7,000
Public Utility Commission of Texas	475,000	475,000
Board of Veterinary Medical Examiners	500	500
Workers' Compensation Commission	<u>1,340,737</u>	<u>1,340,738</u>
Subtotal, Regulatory	<u>\$ 8,233,852</u>	<u>\$ 8,016,536</u>
Less Interagency Contracts	<u>\$ 1,469,389</u>	<u>\$ 1,455,210</u>
TOTAL, ARTICLE VIII - REGULATORY	<u><u>\$ 6,764,463</u></u>	<u><u>\$ 6,561,326</u></u>

**RECAPITULATION - ARTICLE VIII  
REGULATORY  
(All Funds)**

	For the Years Ending	
	August 31, 2002	August 31, 2003
Board of Public Accountancy	\$ 2,972,734	\$ 3,296,454
State Office of Administrative Hearings	6,089,952	6,144,972
Contingency Appropriations	<u>246,520</u>	<u>17,520</u>
Total	6,336,472	6,162,492
Board of Architectural Examiners	1,560,511	1,482,458
Rider Appropriations	<u>290,000</u>	<u>100,000</u>
Total	1,850,511	1,582,458
Board of Barber Examiners	589,934	549,621
Board of Chiropractic Examiners	343,354	343,672
Cosmetology Commission	2,349,818	2,036,289
Rider Appropriations	<u>70,000</u>	<u>0</u>
Total	2,419,818	2,036,289
Credit Union Department	1,523,448	1,556,887
Contingency Appropriations	<u>120,000</u>	<u>192,000</u>
Total	1,643,448	1,748,887
Texas State Board of Dental Examiners	1,384,778	1,381,143
Board of Professional Engineers	1,632,300	1,632,300
Finance Commission of Texas	197,970	197,970
Department of Banking	10,250,123	10,231,901
Rider Appropriations	5,000	5,000
Contingency Appropriations	<u>4,350,432</u>	<u>4,350,432</u>
Total	14,605,555	14,587,333
Office of Consumer Credit Commissioner	2,442,498	2,442,498
Savings and Loan Department	1,409,504	1,384,505
Contingency Appropriations	<u>512,500</u>	<u>739,100</u>
Total	1,922,004	2,123,605
Funeral Service Commission	867,441	532,127
Department of Insurance	49,246,272	49,246,272
Office of Public Insurance Counsel	1,198,426	1,198,426
Board of Professional Land Surveying	361,131	357,631
Department of Licensing and Regulation	7,196,101	6,556,626
Board of Medical Examiners	5,249,697	5,242,224
Board of Nurse Examiners	3,044,768	3,126,788
Board of Vocational Nurse Examiners	1,359,072	1,358,055
Optometry Board	355,289	361,653
Structural Pest Control Board	1,351,481	1,333,549
Board of Pharmacy	2,820,964	2,773,326
Executive Council of Physical Therapy & Occupational Therapy Examiners	794,865	795,462
Board of Plumbing Examiners	1,480,767	1,539,970
Board of Podiatric Medical Examiners	214,891	216,410
Board of Examiners of Psychologists	787,958	796,104

**RECAPITULATION - ARTICLE VIII**  
**REGULATORY**  
**(All Funds)**  
(Continued)

Racing Commission	10,627,320	10,603,019
Rider Appropriations	<u>600,000</u>	<u>600,000</u>
Total	11,227,320	11,203,019
Real Estate Commission	4,402,903	4,406,613
Securities Board	4,283,988	4,429,027
Board of Tax Professional Examiners	156,081	156,081
Public Utility Commission of Texas	149,382,874	162,324,948
Contingency Appropriations	<u>(711,938)</u>	<u>(711,938)</u>
Total	148,670,936	161,613,010
Office of Public Utility Counsel	1,969,521	1,919,521
Board of Veterinary Medical Examiners	590,538	598,766
Workers' Compensation Commission	49,676,223	48,984,443
Research and Oversight Council on Workers' Compensation	<u>955,873</u>	<u>955,873</u>
Subtotal, Regulatory	<u>\$ 336,603,882</u>	<u>\$ 347,785,698</u>
Retirement and Group Insurance	26,132,400	28,617,632
Social Security and Benefit Replacement Pay	<u>12,318,710</u>	<u>12,380,576</u>
Subtotal, Employee Benefits	<u>\$ 38,451,110</u>	<u>\$ 40,998,208</u>
Lease Payments	5,421,033	5,397,566
Less Interagency Contracts	<u>\$ 1,469,389</u>	<u>\$ 1,455,210</u>
TOTAL, ARTICLE VIII - REGULATORY	<u><u>\$ 379,006,636</u></u>	<u><u>\$ 392,726,262</u></u>
Number of Full-time Equivalent Positions (FTE)	3,876.0	3,886.5